Technical Report

On the

Jasper Property

Vancouver Island, British Columbia

Victoria Mining Division

NTS 092C088

UTM Zone 10N
5410500 N   383750 E

For

Nitinat Minerals Corporation
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Summary

The Jasper Property (the “Property”) is owned 100% by Inspiration Mining Corporation (“Inspiration”), subject to a purchase agreement dated December 1, 2007 whereby Nitinat Mining Corporation “Nitinat” or the “Company” will acquire 100% interest in the Property in exchange for special warrants of the Company. The Jasper Property is located on west-central Vancouver Island, British Columbia, and consists of 10 mineral claims covering 6,615 hectares.

The Jasper Property covers four (4) documented British Columbia MINFILE occurrences discovered during the 1970’s and 1980’s as follows:

- Avallin – MINFILE 092C037 – Copper, Silver Showing
- Jasper – MINFILE 092C080 – Copper, Silver, Lead, Zinc Showing
- Tam – MINFILE 092C081 – Copper, Zinc Showing
- Pan – MINFILE 092C088 – Copper, Zinc, Lead, Gold, Silver Showing

Sixteen (16) new and unexplained soil geochemical anomalies and nine (9) additional metallic bedrock mineral showings were discovered on the Jasper Property by Inspiration in 2004, with new showings listed as follows:

- Upper Zinc Creek – Zinc, Silver Showing
- Upper 4 Mile Creek Showing – Copper, Zinc, Silver, Gold Showing
- Line 4200 East – Copper, Silver Showing
- Upper 4 Mile Creek Road Log Sort Showing – Copper, Silver, Gold Showing
- Line 4100 East – Copper, Silver, Gold Showing
- South 4 Mile Creek Showing – Copper, Silver Showing
- Camp View Showing – Copper, Zinc, Silver Showing
- South Camp Creek Road Showing – Copper, Silver Showing
- Upper Pan Showing – Copper, Zinc, Silver, Gold Showing

The Jasper Property is underlain mainly by the calc-alkalic volcanic, volcaniclastic and sedimentary rocks of the Jurassic Bonanza Group. The northeast portion of the property is underlain by Parson Bay argillites, Quatsino limestones and Karmutsen mafic volcanics of the Triassic Vancouver Group. Stocks and dykes of granodiorite and quartz feldspar porphyry, probably of the Middle Jurassic Island Plutonic Suite, intrude all other rocks on the Property. A north-northeast trending fault structure and co-incident 4 km. long pyritic alteration zone transects the Jasper Property, and contains numerous soil anomalies and bedrock showings of copper, zinc, lead, silver and/or gold.

The geological setting of the Jasper Property is considered favourable for two distinctly different styles and origins of significant metallic mineralization:

- Noranda/Kuroko Massive Sulphide Copper-Lead-Zinc-Silver-Gold (syngenetic with host rocks) of Jurassic age

- Porphyry Copper-Molybdenum-Gold; and related Copper Skarn; and related Epithermal Gold-Silver-Copper (epigenetic) of probable Jurassic or possible Eocene age

Geochronological investigations completed by Inspiration in early 2008 of base metal sulphide mineralization from the Jasper and Pan showings suggests that a syngenetic origin of Jurassic age for the mineralization is possible. However, the medium to coarse grained nature of the sulphides suggests that they probably represent some form of epigenetic mineralization.

The helicopter-borne electromagnetic and aeromagnetic survey completed over the Jasper property by Inspiration in 2008 detected twenty two low-conductance electromagnetic (EM) anomalies, none of which are co-incident with the known sulphide showings on the Jasper Property, and all of which are unexplained at this time. Twenty one of the EM anomalies appear as multiple linear clusters located in the unexplored east-central portion of the Property, which has by far the highest background conductivity in the survey area.

A two phase $2 million exploration program is recommended, with Phase 1 totaling $650,000 and subdivided into four stages as follows:

1. G.I.S. compilation of all historic and current exploration data	$ 50,000
2. Ground based prospecting and sampling in two areas:	
a. Ground-truth 21 EM anomalies and Avallin showing	$ 50,000
b. Follow-up of 2004 soil anomalies	$ 50,000
3. Mechanized trenching of MINFILE and 2004 showings	$100,000
4. Initial diamond drilling of MINFILE and 2004 showings	$400,000

Conditional upon success in Phase 1, a Phase 2 program is recommended, totaling $1,350,000 and subdivided into four stages as follows:

1. Socio-economic programs:	
a. Environmental baseline study and monitoring program	$ 50,000
b. First Nations partnership & Forestry road use agreements	$ 50,000
2. Property scale geological mapping program	$150,000
3. Mechanized trenching program:	
a. Selected EM anomalies and portions of Avallin showing	$150,000
b. Phase 1 prospecting discoveries from ground follow-up	$150,000
4. Diamond drilling program:	
a. Initial diamond drilling of EM anomalies, Avallin showing	$400,000
b. Follow-up diamond drilling of MINFILE and 2004 showings	$400,000

Phase 1 will require up to a year to complete, with Phase 2 requiring at least one more year to complete. Additional programs would be proposed conditional upon the success of Phases 1 and 2.

Introduction and Terms of Reference

The author was retained by Nitinat Minerals Corporation to prepare a Technical Report (NI 43-101 compliant) on the Jasper Property, subject to a purchase agreement dated December 1, 2007 whereby Nitinat will acquire 100% interest in the Property from owner Inspiration Mining Corp. The purposes are as follows:

- To summarize both previous and more recent work on the Property
- To make recommendations for further exploration, and
- To assist in the qualification of a major transaction for the TSX-V

The report is based on the author's personal knowledge of the area and the property, and on a review of both published data and work completed by other consultants on behalf of Inspiration Mining Corp. The author is a Qualified Person as defined by National Instrument 43-101, and is independent of both Nitinat and Inspiration. The author first visited the Property as Regional Geologist for the B.C. Ministry of Energy and Mines, and subsequently worked on the Property as a consultant for Arnex Resources Ltd. in 2004, and as an independent consultant for Inspiration in 2007 and 2008.

Reliance on Other Experts

Technical information in this report was derived from published data and original source data has been used where available. Reasonable care and diligence has been taken by the author to verify all historical information. The author has seen no reason to doubt the validity and accuracy of this source data and historical information, most of which was generated by qualified, professional persons at the times the work was done, some prior to the implementation of NI 43-101.

Property Description and Location

The Jasper Property claims are located in the Victoria Mining Division, west-central Vancouver Island, BC, Canada (Figure 1 - BC Location Map & Figure 2 – Vancouver Island Location Map). The Property is approximately 80 kilometres northwest of Victoria and is centered at latitude 48°50' and longitude 124°35' in NTS (BCGS) 092C 088. The southern portion of the claims overlie much of the Caycuse River and its tributaries Four Mile Creek and Seven Mile Creek, extend northwards over the height of land to the tributaries of Jasper Creek, and westwards to a no staking reserve along the eastern shore of the Nitinat River. (Figure 3 – Mineral Claim Map). The Jasper Property consists of the Jas 3 legacy mineral claim and nine cell mineral claims that comprise ten contiguous claims which total 6615 hectares (Table 1 - Mineral Tenure Status). The Property is 100% owned by Inspiration Mining Corp., Free Miners License No. 138196. All of the claims are in good standing until September 4, 2012.

Table 1 – Mineral Tenure Status

Tenure Number	Tenure Type	Owner	Map Number	Good To Date	Status	Area (Ha)
342740	Mineral	138196 (100%)	092C088	2012/sep/04	GOOD	300
546913	Mineral	138196 (100%)	092C	2012/sep/04	GOOD	2062.9448
546919	Mineral	138196 (100%)	092C	2012/sep/04	GOOD	531.3654
546921	Mineral	138196 (100%)	092C	2012/sep/04	GOOD	531.5719
546926	Mineral	138196 (100%)	092C	2012/sep/04	GOOD	531.7403
546927	Mineral	138196 (100%)	092C	2012/sep/04	GOOD	531.8616
546929	Mineral	138196 (100%)	092C	2012/sep/04	GOOD	531.9644
546930	Mineral	138196 (100%)	092C	2012/sep/04	GOOD	531.5411
546931	Mineral	138196 (100%)	092C	2012/sep/04	GOOD	531.3264
546932	Mineral	138196 (100%)	092C	2012/sep/04	GOOD	531.1546
Totals	**10**					**6615.471**

The Jasper Property is subject to a purchase agreement dated December 1, 2007 whereby Nitinat will acquire 100% interest in the Property from Inspiration in exchange for special warrants.

The surface rights over the mineral claims of the Jasper Property are held by the B.C. government as crown land. Crown timber licenses over much of the Property are held by various logging companies. Indian Reserves of the Dididaht First Nation and a No Staking Reserve are situated along the mouth of the Nitinat River where it drains Nitinat Lake, immediately northeast of the Property.

Similar to elsewhere in British Columbia, no permit is required for non-mechanized exploration, but a valid permit is required to undertake any mechanized work on the Jasper Property. Such permits are issued by the Inspector of Mines at the Victoria-based Southwest Regional Office, Health and Safety Branch, Mining and Minerals Division, B.C. Ministry of Energy Mines and Petroleum Resources. This requires the submission of a Notice of Work and Reclamation Program Application, which takes approximately one month to process, but commonly takes longer due to delays in receiving referral responses from local First Nations Bands. In addition, owners of surface rights must be notified in advance of any mining activity on their land by the mineral tenure owner. Such notice is not required for the Jasper Property since it is covered by crown land. Any damages to the surface rights inflicted by the mineral tenure holder while undertaking exploration or mining activities must be compensated.

It is generally considered good protocol for explorationists working in British Columbia to notify anyone with specific local interests prior to undertaking any exploration programs. In the case of the Jasper Property, this would include local logging companies, including Teal-Jones Inc. in Honeymoon Bay, B.C., and local first nations communities, including Dididaht near Nitinat Lake, B.C. Inspiration has maintained a good working relationship with both of these groups.

Accessibility, Climate, Local Resources, Infrastructure, Physiography

All weather logging road access is from the north via Port Alberni, a distance of approximately 45 kilometres, or from the east via Cowichan Lake (25 kilometres) and Duncan (50 kilometres) with driving times of about 90 minutes from either Port Alberni or Duncan to the Property. The J-Branch logging road accesses the northern portion of the Property and Caycuse Main the southern portion.

The Jasper J-Branch Main Showing occurs in road-cuts on the ridge-top of J-Branch logging road. The road has been partially deactivated and helicopter access is currently required to access the showing area. No additional deactivation of logging roads used to access the showing areas has occurred.

The Pan Road Showing is located on road-cuts on Caycuse Main logging road and can be accessed by two wheel drive vehicle except in occasional periods of snow cover during the winter.

In case of emergency, truck access time to Port Alberni or Duncan is approximately 90 minutes. Helicopter flying time, depending on weather, is generally less than 30 minutes to the nearest medical trauma centre in Nanaimo.

Steep incised drainages with rugged relief to approximately 300 meters characterize the physiography of the area. Refer to Figure 7 - Local MINFILE & ARIS Map for Jasper Property, which shows topography and drainages in the vicinity of the Property. Much of the region has been logged in recent years and young second growth forest and logging roads occur over most of the claims.

Climatic conditions are temperate with abundant rainfall in fall, winter and spring. Snow is seasonally present on the upper elevations during the period of mid-December to mid-February. Summer conditions can be dry and hot from mid-July to the end of August. Local temporary closures of the woods may occur during times of extreme forest fire danger. Generally, mild West Coast climatic conditions allow for a long exploration field season.

The Property is well situated in that it is in relatively close proximity to the following:

- All weather road access to two population centers (Port Alberni and Duncan) which can provide labour, services and supplies, and
- Relatively close proximity to hydro grid power, and
- Close proximity to deep sea shipping ports in two communities.

History

The Jasper Property covers four BC MINFILE showings: Avallin (092C 037), Jasper (092C 080), Tam (092C 081) and Pan-Easy (092C 088) - Figure 7, Local MINFILE & ARIS Map). BC MINFILE, ARIS and Annual Minister of Mines reports are available on the BC MEMPR website, and digital copies of reports covering the area of the Jasper Property are in the CD accompanying this report.

From 1956 to1959, skarn mineralization was first documented on Avallin Mines Ltd.'s O.G.M. claims, covering the area of Avallin showing, and located on what is now the northeast portion of the Jasper Property (Minister of Mines AR1957).

In 1964, Avallin Mines Ltd. conducted geological mapping and soil sampling on the O.G.M. claims. Reference was made to geochemistry done by Kennco Exploration Co. in this area. An historic skarn occurrence (Gillespie) explored by short tunnels was relocated, and numerous skarns were discovered exposed over an area of 2 by 2 km., including one (Avallin showing) from which chip sampling yielded up to 1.5 m. @ 4.5% copper (Malcolm, 1965: ARIS 642).

In 1969, Quintana Minerals Corporation completed a geological and geochemical study of a large group of claims straddling the eastern edge of the Jasper Property. A taconite and skarn deposit with layered sulphides was located on the nose of a plunging anticline west of Granite Creek (Avallin showing) in the northeast portion of the Jasper Property. A porphyry copper deposit was discovered east of Granite Creek, and a porphyry pyrite deposit was discovered along 7 Mile Creek near the Caycuse River, both along the eastern margin of the Jasper Property. Also, several "complex" deposits were found in Camp Creek and Nixon Creek, both considerably east of the Jasper Property. Abundant pyrite mineralization was found, but some chalcopyrite and molybdenum were located (Malcolm, 1969: ARIS 2163).

The Tam and Easy properties were acquired in 1970 by Hudson Bay Mining and Smelting. Geological mapping, soil and rock chip geochemistry and an IP geophysical survey were carried out in 1970 and 1971 (Freberg, 1970: AR 2549, 1971: AR 3025; White, 1971: AR 3649). During 1971 and 1972, Marshall Creek Copper staked claims to the south of Hudson Bay's Easy claims and conducted an extensive soil sampling program on the Pan Property (Malcolm, 1972: AR 3671).

In 1975, Hudson Bay carried out mapping and sampling on recently constructed logging roads on the Easy claims. Chip sampling of a massive sulphide showing (probably the Pan showing) yielded up to 1 m. @ 5.35% copper (Bidwell, 1976: AR 5857).

In 1976, Peter Fox completed geological work on his NR claim covering the Avallin showing. Chip samples yielded up to 16% copper from one of several trenched skarn exposures (Fox, 1976: AR 5965).

In 1980, Umex Corporation conducted a grid geochemical soil sampling program on the Judith Claim covering the Easy prospect (Pauwels, 1980: AR 8250). In 1980 and 1981 Malibar Mines conducted soil and rock sampling on the Jasper Property. Outcrop grab samples from several sulphide and quartz occurrences exposed over 400 m. south and west of the Jasper showing yielded up to 9.75% copper, 4.85% zinc, 126 g/t silver and 14 g/t gold (Culbert, 1982: AR 10388).

In 1981, Westlake Resources Inc. conducted geochemical and geophysical work on the Lori Claims located in the extreme west side of the Property. Chip sampling of massive sulphide stringers exposed over 0.15 m. yielded up to 3.26% copper and 164 g/t silver (Ryback-Hardy, 1981: AR 9579).

In 1983, Alcyone Explorations Ltd. completed detailed geological work on the F.D. claims covering the Avallin showing. Outcrop grab samples from the trenched skarn exposures yielded up to 7.87% copper (Jones, 1983: AR 11196). In 1984, Golden Hind Ventures Ltd. conducted grid geochemical soil sampling on the F.D. claims (Hanson, 1983: AR 12530).

Also in 1984 a prospecting program was carried out on the Jasper Claim by Ron Bilquist on behalf of Les Allen and the Jasper J-Branch Main Zone sulphide showing was found in recently constructed road-cuts (Bilquist, 1984: AR 12260). The claims were re-staked and optioned to Falconbridge Limited who conducted extensive geological mapping over and surrounding the Jasper showing, soil and rock geochemistry, petrography and a VLF-EM program. This work confirmed previous results in both soil and rock samples, and further work was recommended (Chandler, 1985: AR 13916). It is reported that Falconbridge did additional work during 1985 including packsack diamond drilling on the Main Zone which yielded up to 1.34 m. @ 1.65% copper, 3.53% zinc and 6 g/t silver, but no Assessment Report was filed (Dupre, 1987: AR 16700).

In 1987, Asamara Inc. conducted geology, soil sampling and VLF-EM programs on the Jasper Property, with chip samples from the Main Zone yielding up to 0.9% copper and 25.6% zinc (Dupre, 1987: AR 16700, 17105). The Jasper claims eventually lapsed. Also in 1987, geology and diamond drilling was conducted by Nuspar Resources Ltd. on the Wabana Claims covering the Avallin showing, but no significant drill intercepts were achieved (Fischl,1987: AR 16813)

The Jasper claims were relocated in the summer and fall of 1994 by Arne O. Birkeland, who also staked claims covering the Tam, Easy and Pan showings when existing claims were allowed to forfeit. This was the first time all three showing were consolidated under a single ownership. A detailed geologic mapping and sampling program was carried out in August, 1994 on the J Branch

Main Showing (Figure 8). Eleven representative chip samples yielded an average of 2.15% copper, 3.14% zinc and 304 ppb gold over a true thickness of 0.8 m. The Property was optioned in 1995 to Consolidated Taywin Resources Ltd., (now Inspiration) who acquired the Property outright in early 1996.

Arnex Resources Ltd., owned and operated by Mr. Birkeland, conducted all the field exploration programs on behalf of Inspiration from 1995 until 2004 (Birkeland, 1995-2005: AR's 24087, 24232, 24716, 25863, 26467, 26798, 27088, 27322, 27657). Descriptions and results of the programs conducted for Inspiration by Arnex are summarized in this section, and described in more detail in the **Mineralization** section of this report.

A field exploration program was conducted by Inspiration from December, 1995 to June, 1996. The program consisted primarily of establishing a cut-line grid at the J-Branch Main Showing area and completing a geological, geochemical and geophysical program. The program identified drill targets where mineralized showings and coincident geophysical and geochemical anomalies occur in a favourable geological setting.

Inspiration conducted a soil grid geochemical program at the Pan South Grid area in December, 1998. The program encountered very high base metal coincident anomalies, which extended beyond the sampled grid, and high-grade massive sulphide showings were mapped and sampled in outcrop (Figure 9).

In 2000, a soil geochemistry program extended the 1998 grid northward. As was similar to results from the 1998 South Pan Soil Grid, numerous poly-metallic soil geochemical anomalies were detected by the Pan Central and Pan North Grids, many of which were from orange coloured gossanous soils associated with the alteration zone.

In 2001, a similar geochemical program extended the Pan Grid to the north and south. Polymetallic base metal soil anomalies were present. Total length of the then established anomalous zone within the soil grid area was 1.6 kilometres in strike length with the anomalies being open up-slope and along strike.

In 2002, Inspiration conducted a geochemical survey collecting reconnaissance style soil and stream sediment samples to the north and south of the Pan grids along Caycuse Main logging road to determine the extent of the anomalies. Polymetallic soil and stream sediment anomalies were found to be present up to 700 metres north and up to 1.4 kilometres south of the then established Pan Soil Grid.

A grid soil geochemical program conducted in August and September, 2003 extended the Pan Soil Grid to the north, and upslope to the east. Polymetallic soil anomalies appear to be clustered in generally two areas. In the North Pan Grid area, high soil values are present clustered between 2300 N and 2450 N within the drainage area of Camp Creek. High soil values are also clustered in the central portion of the Pan South Grid. Soil anomalies occur over a 2.8 kilometre distance on the combined Pan grids.

In 2004, Inspiration expanded, linked and surveyed the Pan Grids by GPS, and increased the N-S trending soil anomaly target area to over 4 km. in length. Prospecting, rock chip and soil sampling identified nine new mineral showings, and sixteen additional soil anomaly targets (Figure 10). Ground geophysical orientation surveys (Magnetics and Electromagnetics) were completed on selected portions of the grids, with poor results. The author participated in the 2004 exploration program as a consultant for Arnex on behalf of Inspiration.

In 2006, Inspiration converted most of its mineral claims to cell claims and significantly expanded the size of the Jasper Property using map selection in Mineral Titles Online, covering the Avallin showing.

Geological Setting

Vancouver Island lies within the Canadian Cordillera within terrain classified as Wrangellia. Central and western Vancouver Island is predominantly underlain by Paleozoic and Mesozoic strata intruded by Jurassic and Tertiary Intrusions (Figure 4 – Vancouver Island Geology Map, and Figure 5 - Local Geology Map with accompanying Figure 6 – Local Geology Legend).

The geologic history of the autochthonous rocks forming central and western Vancouver Island can be subdivided into five major episodes:

1. Formation of the Paleozoic Sicker Group immature marine Island Arc volcanic and sedimentary sequence;
2. Extrusion of Triassic Karmutsen mid-ocean ridge Fe-rich tholeiitic basalts and deposition of limestones of the Quatsino Formation;
3. Development of the mature Island Arc volcanic and sediment sequence of the upper Triassic to lower Jurassic Bonanza group and emplacement of co-genetic Island Intrusions;
4. Cretaceous Nanaimo, Kyuquot and Skeena sedimentation;
5. Eocene volcanic and plutonic activity including emplacement of the Eocene Catface Intrusions and dyke swarms

The Jasper Property is hosted in a belt of rocks mapped as upper Triassic to lower Jurassic Bonanza group (Figure 5 - Local Geology Map). The belt trends southeasterly from Nitinat Lake through Gordon River, south of Cowichan Lake (Figure 4 – Vancouver Island Geology Map). The Bonanza belt is flanked to the west and east by Paleozoic Sicker Group rocks which host the economically important Myra Falls Massive Sulphide district located approximately 120 kilometres to the northwest, and the Lara Massive Sulphide district located approximately 50 kilometres to the east, respectively.

The Bonanza Group in the vicinity of the Jasper Property consists of a variety of maroon to gray-green, feldspar phyric basalt and andesite flows and dacite and felsic lapilli tuff containing various minor gabbro, andesite and dacite dykes. There is a lack of lithologic continuity and distinct marker beds are absent. In the basal part of the sequence, sedimentary rocks are found interbedded with lapilli and crystal tuffs, indicating a sub-aqueous environment. It may be significant that work in 2005-06 by G.T. Nixon of the B.C. Geological Survey ("BCGS") has proposed this same geological horizon in northern Vancouver Island as a favourable setting for volcanogenic massive sulphide deposits.

Granodiorite Island Intrusion stocks surround the Jasper Property, and are mapped in the northwest and northeast portions of the property. The coeval stocks are regular to elongate in shape with steep sides. The major lithology is granodiorite to quartz-diorite and most of the stocks are rich in mafic inclusions, particularly in marginal zones where magmatic intrusive breccias are developed. Stocks are generally exposed as rounded outcrops.

Numerous RGS anomalies and MINFILE occurrences (Figure 7 – MINFILE Map) are found in the Alberni-Cowichan area and both porphyry and VMS styles of mineralization have been reported by BCGS geologists. Porphyry style Cu-Mo occurrences are commonly associated with high level sub-volcanic dykes and sills belonging to the Island Intrusion or Catface intrusive suites. The Lara VMS belt occurs in the eastern portion of the region hosted in rocks mapped as Sicker Group. Massey and Friday (BCGS) note VMS mineral potential where reported "sulphidic argillites are found interbedded with tuffs" in the basal part of the Bonanza sequence in the Alberni - Cowichan area.

No Property scale geologic map has been compiled for the various MINFILE occurrences from the detailed mapping that has been done on a local scale by various parties over the years. A compilation of this nature goes beyond the scope of this technical report and would best be done by correlation of geologic units and inputting data into a GIS spatial database system.

From historical mapping, the Property geological setting can be described as follows:

The Jasper Property is mainly underlain by mafic to felsic volcanic rocks that have been previously mapped as Bonanza group. The north-central portion of the Property (Jasper showing) is underlain by a northwest trending sequence of intermediate flows and flow breccias that are flanked to the east by mafic flows. Units appear to have a moderate dip to the southwest. A wedge shaped body of felsic volcanic flows overlies the mafic rocks to the east. Felsite dykes intrude the intermediate and mafic volcanics, some of which may be feeders to the younger felsic flows. Often the intermediate and mafic flows and flow breccias are massive and bedding orientation is impossible to determine. Minor thin intercalations of pyritic argillite are present locally within the volcanic sequence.

The central and southern portions of the Property (Tam and Pan showings) are underlain by mafic and intermediate volcanic sequences. Felsic volcanics occur at higher elevations on the eastern portion of the claims. Local foliation is oriented north-south. Within the alteration zone, protoliths are obliterated in macroscopic outcrop scale and individual units are difficult to correlate and map.

The northeast portions of the Property (Avallin showing) are sequentially underlain by Triassic Vancouver Group rocks consisting of mafic volcanics, tuffs and breccias of the Triassic Karmutsen Formation, limestone of the Quatsino Formation, and black argillites of the Parson Bay Formation. All rocks are highly folded, faulted and intruded by lower Jurassic intermediate to mafic dykes that are coeval with the Bonanza volcanics and by felsite dykes, possibly of the Tertiary Catface sequence.

A late major fault suture cuts Vancouver Island from the mouth of the Carmanah River on the West Coast to Parksville on the East Coast (Figure 4 – Regional Geology Map, and Figure 7 – MINFILE Map). The Pan and Tam occurrences along Four Mile Creek and the J-Branch Main Showing on Jasper Ridge occur along this major fault structure. A north trending gossanous alteration zone with a strike length greater than four kilometers underlies the Jasper Property along the fault from the Caycuse Creek drainage in the south to the Nitinat Valley in the north. The alteration zone is characterized by moderate to intense argillization and silicification accompanied by ubiquitous pyrite flooding. The alteration zone is generally concordant with the foliation and stratigraphy throughout its strike length. Based on the huge volume of intensely altered rock present, a very major period of hydrothermal activity has taken place along the strike length of the system. The Jasper and Pan Grid areas are partially underlain by the intense alteration zone. On the Pan grid, ferricrete and locally thick till commonly overlie the alteration zone and have the effect of “masking” residual soil anomalies.

Steeply dipping, cross cutting, north trending fractures, shears and fault gouge zones are prevalent within the alteration zone and form the recessive valley containing Four Mile Creek. Coincident narrow fault and fracture zones often emanate as a conjugate set at right angles to the main north trending fault system and control second order drainages that are the side creeks of the main Four Mile Creek drainage system.

Offsets of all structures are not known as units have not been mapped across structures. Local brittle faulting commonly causes minor offsets to massive sulphide lenses in outcrop at the J-Branch Main Showing.

Deposit Types

The two following two genetic deposit styles and mineral deposit types are considered appropriate for the Jasper Property:

1. Noranda/Kuroko Massive Sulphide Copper-Lead-Zinc-Silver-Gold ("VMS") of Jurassic age - BCGS deposit type G06. Vancouver Island analogies include the Myra Falls Deposits and the Mt. Sicker Deposits both of which are Paleozoic in age. Jurassic age analogies are unknown on Vancouver Island.

2. Porphyry Copper-Molybdenum-Gold ("Porphyry") – BCGS deposit type L04; and related Copper Skarn ("Skarn") – BCGS deposit type K01; and related Epithermal Gold-Silver-Copper ("Epithermal") – BCGS deposit type H04. These are probably Jurassic age or possibly Eocene age. Vancouver Island analogies include the Island Copper Belt Porphyry/Epithermal deposits of Jurassic age; the Merry Widow Skarn Belt of Jurassic age; the Catface Porphyry/Skarn District of Eocene Age; and the Mount Washington Porphyry/Epithermal District of Eocene Age.

The central and western portions of the Jasper Property have been explored for, and exhibit characteristics common to, VMS geological settings. Detailed descriptions from recent work appear in the **Mineralization** section of this report.

The northeast portion of the Jasper Property has been explored for, and exhibits characteristics common to, Skarn geological settings. Detailed descriptions for this mineralization are available in B.C. Minister of Mines Reports 1956, 1957, and 1959, and B.C. Assessment Reports 642, 2163, 5965, 11196, and 12530.

Mineralization

Jasper Showing (MINFILE 092C080)
Approximately thirteen Cu, Zn +/- Pb, Ag, Au sulphide showing areas have been sampled by the Arnex-Inspiration programs carried out between 1994 and 2004. The two showings of principal interest in the central portion of the Property are the Jasper J-Branch Main Showing and Pan Road Showing.

At the Jasper J-Branch Showing, semi-massive to massive pyrite, chalcopyrite, sphalerite and minor galena outcrops in logging road-cuts on Jasper Ridge. Two massive sulphide bands of true width between 0.4 and 1.3 metres are separated by 5 metres of chloritic mafic volcanics. The two sulphides bands outcrop over a strike length of 44 metres (Figure 8 - Detailed Jas Geology and Sampling).

Twelve representative chip samples were taken during the 1994 program from the massive sulphide lenses that returned a weighted average grade of 2.1% Cu, 3.2% Zn and 304 ppb Au over an average true width of 0.8 metres. The best (weighted) intervals include the following:

- 4.3% Cu, 0.8% Zn, 24 g/t Ag, 0.245 g/t Au over 0.8 meters (140254), and
- 2.1% Cu, 3.2% Zn, 13 g/t Ag, 0.284 g/t Au over 2.7 meters (140257-140259), and
- 3.2% Cu, 9.2% Zn, 12 g/t Ag, 0.125 g/t Au over 1.3 meters (140260), and
- 2.2% Cu, 4.1% Zn, 6 g/t Ag, 0.165 g/t Au over 0.6 meters (140265), and
- 2.3% Cu, 2.4% Zn, 7 g/t Ag, 0.07 g/t Au over 2.0 meters (140266)

The mineralization consists of 70% to 90% pyrite, 5% to 20% sphalerite, 1% to 5% chalcopyrite and minor amounts of galena. The sulphides are medium to coarse grained and commonly display crude banding imparted by compositional and textural variations. In places, large crudely banded massive sulphide fragments and volcanic wallrock fragments are contained within a finer grained massive sulphide matrix.

The mineralization is hosted in feldspar phyric mafic flows. The massive sulphide bands are generally concordant to jointing, and to the intermediate-mafic volcanic contact.

Although the massive sulphide bands are commonly offset by north and northeast trending fractures and small displacement faults, there is good continuity to the mineralization over its exposed 44 metre strike length. The southeastern strike extension of the mineralization is covered by till which contains blocks of semi-massive to massive sulphides. The northwest strike extension is covered by colluvium and trends down slope towards Zinc Creek.

Pan Showing (MINFILE 092C088)
Two showings outcrop in Caycuse Main road-cuts at the Pan Road Showing (Figure 9 - Detailed Pan Geology and Sampling).

At the northern showing, massive stringer style mineralization is present in a crosscutting sheared alteration zone. The up-slope trend of the zone is covered by ferricrete and gossanous till that returned highly anomalous soil geochemical results and the down-slope trend is covered by the roadbed.

A composite weighted interval across the stringer zone returned the following values:

- 3.2% Cu, 12.6% Zn, 0.6% Pb, 29 g/t Ag, 0.095 g/t Au over 2.0 meters (95121 to 95123)

Of geological significance is a massive sulphide layer emanating from the stringer zone that is exposed in the road-cut over a strike length of approximately 30 metres. The massive sulphide band consists of coarse “black-jack” sphalerite containing lesser amounts of galena. The sulphide layer is hosted in, and is concordant to, argillically altered intermediate flows and tuffs. The sulphide band is faulted off to the south by a second crosscutting stringer zone containing anomalous base metal values. A representative chip sample across the sphalerite layer assayed 16.2% Zn and 2.7% Pb over 0.25 metres.

At the southern Pan Road Showing, a massive sulphide lens outcrops in the logging road-cut and roadbed. Massive sphalerite and galena occur in highly argillically altered and pyritized mafic flows. The up-slope eastern extension of the lens is faulted off. The massive sulphides outcrop in the road-cut and numerous boulders of massive sulphides occur as “hard toes” in the roadbed. The trend of the zone is covered by road-fill on the western down-slope side of the road.

The massive sulphides occur as massive sphalerite and galena containing up to 5% chalcopyrite. The sulphides are capped by a thin 0.25 metre thick calcite-barite-chert (exhalite?) horizon. A 2.0 metre massive sulphide boulder on the west side of the road also has a calcite-barite exhalite cap preserved intact.

A representative chip sample across the sulphide lens assayed as follows:

- 2.1% Cu, 22.3% Zn, 17.2% Pb, 26 g/t Ag, 15 g/t Au over 1.9 meters (95116)

Only one of the three known MINFILE occurrences (Jasper J-Branch Main Showing – MINFILE 092C 080) located on the Jasper Property was sampled during the 2004 program. Another known MINFILE occurrence (Tam Showing – MINFILE 092C081) may have been relocated and was sampled and mapped as the Trail Creek Showing. Exploration work was completed in 2004 near the other known MINFILE occurrence (Pan South Road Showing – MINFILE 092C088) but as it had been previously sampled, no further sampling was done. GPS controlled locations of the MINFILE occurrences are shown in Figure 10. Results of sampling at the two known MINFILE occurrences are documented as follows:

Jasper Showing (MINFILE 092C 080) UTM 5412093N 383922 E
Two (2) select float grab samples (148674, 148675) were taken from the road cut through the Jasper J-Branch Main showing as reference specimens of chloritic, gossanous massive (65%) sulphide mineralization. Only one of the two samples was sent for analyses, and yielded the following results:

- 7.83% Cu, 0.003% Pb, 0.120% Zn, 37.0 g/t Ag, 0.037 g/t Au (148675)

Trail Creek (Tam) (MINFILE 092C081) Showing UTM 5411530N 383650E
Two (2) select outcrop grab samples and six (6) continuous representative outcrop chip samples were taken from this gently northeast dipping exposed in a small waterfall in the stream bed of a south-flowing creek located just west of the trail between the Upper 4 Mile Creek Road and the Jasper North Road. The showing was discovered by prospector Rob Hutton while line-cutting and soil sampling along line 4400 and probably represents the site of the Tam Showing MINFILE 092C081. The zone consists of chloritic, epidote-altered and locally

brecciated intermediate to mafic volcanics containing 2-20% fine to coarse grained sulphides exposed over an apparent width of 4.5 meters.

Two (2) select outcrop grab samples yielded the following results:
- 0.056% Cu, 0.001% Pb, 0.005% Zn, 0.7 g/t Ag, 0.01 g/t Au (183637), and
- 0.334% Cu, 0.006% Pb, 0.523% Zn, 2.8 g/t Ag, 0.45 g/t Au (183640)

Six (6) continuous representative outcrop chip samples yielded the following results:
- 0.411% Cu, 0.008% Pb, 0.117% Zn, 3.1 g/t Ag, 0.01 g/t Au over 4.5 meters (148907-148912 inclusive)

During the 2004 field program nine (9) other new or previously undocumented occurrences of copper and/or zinc and/or silver were discovered (or re-discovered), mapped, sampled and documented by Arnex personnel. These occurrences are shown in Figure 10, and listed from north to south as follows:

Upper Zinc Creek Road-cut Showing UTM 5411900N 383650E
Two (2) select outcrop grab samples were taken from two apparently converging, steeply-dipping zones exposed in a road-cut and a nearby outcrop, located approximately 400 meters southwest of the Jasper J-Branch Main Showing. These undocumented zones were discovered in previous work programs by Arnex crews, but were re-discovered by geologist Jacques Houle while prospecting up-hill from soil geochemical anomalies in the Zinc Creek areas generated by Arnex crews during previous work programs. The showings consist of two very different but apparently converging mineralized geological features located about 50 meters apart.

Sample 105410 was taken from a 100 meter long, steeply dipping, northeast-striking outcrop of massive felsic volcanics, interpreted to represent a rhyolite dome, containing hematite-altered breccia fragments, limonitic box work textures along fractures, and 2% fine grained disseminated sulphides. This one (1) select outcrop grab sample yielded the following results:
- 0.003% Cu, 0.026% Pb, 0.191% Zn, 0.3 g/t Ag, 0.01 g/t Au over 5 meters

Sample 105411 was taken from a small road-cut located 50 meters due north of sample 105410, and consists of a steeply-dipping, north-south striking zone of silicified intermediate volcanics with chloritic amygdules partially replaced by 10% disseminated and blebby sulphides. The one (1) select outcrop grab sample yielded the following results:
- Low values over 1 meter

Line 4200 East Showing UTM 5411264N 383722E
One (1) select outcrop grab sample was taken by prospectors Alan Francis and Rob Hutton while cutting line and soil sampling along line 4200 from an outcrop

located approximately 200 meters east of the Upper 4 Mile Creek (Tam) showing. The outcrop consists of gossanous and silicified felsic volcanics with banding oriented at 070/75, and containing 3% fine-course grained sulphides. No representative chip sampling was done on this showing.

The one (1) select outcrop grab samples yielded the following results:

- 0.999% Cu, 0.001% Pb, 0.001% Zn, 6.1 g/t Ag and 0.18 g/t Au over 2 meters (183564)

Upper 4 Mile Creek UTM 5411200N 383500E

Twelve (12) select outcrop grab samples and thirteen (13) representative outcrop chip samples were taken along the semi-continuous outcrop exposed over 125 meters apparent strike along 4 Mile Creek. This showing was discovered by prospector Alan Francis and geologist Caroline Gilson while line-cutting and soil sampling along on Line 4100E. Silicified and locally brecciated, chloritic or sericitic felsic to intermediate volcanics containing 2-15% disseminated, clustered and veinlet sulphides were sampled over true widths of 1-3 meters. The sulphidic alteration zone dips gently to the northwest.

The initial five (5) select outcrop grab samples were not analyzed (148684-148688 inclusive), but the remaining seven (7) select outcrop grab samples yielded the following results:

- 5.65% Cu, 0.006% Pb, 0.033% Zn, 21.6 g/t Ag, 0.14 g/t Au over 0.3 meters (183551), and
- 0.254% Cu, 0.000% Pb, 0.017% Zn, 0.7 g/t Ag, 0.01g/t Au over 1.5 meters (183553), and
- 0.372% Cu, 0.004% Pb, 0.013% Zn, 1.8 g/t Ag, 0.04 g/t Au (183554), and
- 0.206% Cu, 0.002% Pb, 0.080% Zn, 1.3 g/t Ag, 0.04 g/t Au (183555), and
- Low metal values from three (3) other samples (183549, 183552, 183556)

The thirteen (13) representative outcrop chip samples yielded the following results:

- 1.95% Cu, 0.002% Pb, 0.016% Zn, 5.6 g/t Ag, 0.03 g/t Au over 0.9 meters (148901), and
- 0.144% Cu, 0.001% Pb, 0.007% Zn, 1.3 g/t Ag, 0.02 g/t Au over 2.6 meters (183542-183544 inclusive) including:
    - 0.601% Cu, 0.001% Pb, 0.009% Zn, 2.0 g/t Ag, 0.060 g/t Au over 0.6 meters (183544), and
- Low metal values from 8 other samples (148902-148904 inclusive, 183541, 183545-183548 inclusive)

Upper 4 Mile Creek Road Log Sort Showing UTM 5411201N 383715E

The main logging road heading initially north from the Jasper Camp has been informally referred to as the 4 Mile Creek Road. One (1) select outcrop grab sample, one (1) select float sample and three (3) representative outcrop chip samples were taken from the area of a small outcrop exposure located immediately south of an overgrown log sort area built up from transported blast rock. The outcrop showing was discovered by prospector Alan Francis and geologist Caroline Gilson while soil sampling along Line 4100 East. Three (3) representative float chip samples were taken from large semi-massive sulphide boulders of transported blast rock located near the southwest corner of the old log area. Although situated only 25 meters northwest of the outcrop exposure, the boulders are clearly not from this outcrop source. The Upper 4 Mile Creek Log Sort Showing is located approximately 200 meters east of the Upper 4 Mile Creek (Tam) Showing. The showing consists of silicified, sericitic chloritic and locally brecciated felsic to intermediate volcanics containing 5-10% fine grained disseminated sulphides, dipping gently north. The outcrop exposure has a 3 meter apparent length and a1 meter apparent width.

The one (1) select outcrop grab samples yielded the following results:

- 2.42% Cu, 0.001% Pb, 0.015% Zn, 22.6 g/t Ag, 0.22 g/t Au (148816)

The one (1) select float grab sample taken about 10 meters east of the outcrop yielded the following results:

- 2.09% Cu, 0.001% Pb, 0.028% Zn, 3.0 g/t Ag, 0.05 g/t Au (148817)

The three (3) continuous representative chip samples (148689, 148690, and 148691) from the outcrop exposure yielded the following averaged results:

- 0.572% Cu, 0.001% Pb, 0.020% Zn, 2.8 g/t Ag, 0.12 g/t Au over 1 meter

Three (3) representative float chip samples (148692, 148693, and 148694) were taken one each from three separate boulders ranging in size from 1-1.2 meters in diameter. The boulders consisted of silicified, and chloritic and/or sericitic felsic volcanics containing brecciated, recrystallized semi-massive sulphides in bands making up 8 to 50% of the boulders. The three samples yielded low values in base metals, but averaged 2.9 g/t Ag and 0.10 g/t Au.

Line 4100 East Showing UTM 5411146N 383960E

Two (2) select outcrop grab samples and one (1) representative outcrop chip sample were taken from a gently east-dipping zone situated at the north edge of a west-facing rock bluff, located along Line 4100 E approximately 400 meters east of the Upper 4 Mile Creek (Tam) Showing. This showing was discovered by prospector Alan Francis while soil sampling along Line 4100 East. The outcrop exposure consists of silicified and locally brecciated, chloritic and hematitic felsic to intermediate volcanics containing 5-10% disseminated, blebby and stockwork sulphides over a width of 0.25 meters.

The two (2) select outcrop grab samples yielded the following results:

- 0.840% Cu, 0.005% Pb, 0.001% Zn, 18.2 g/t Ag, 0.35 g/t Au (183557), and
- Low values over 1 meter from an outcrop 100 meters to the west and down slope along Line 4100 East (148695)

The one (1) representative outcrop chip sample yielded the following results:
- 0.119% Cu, 0.005% Pb, 0.003% Zn, 3.9 g/t Ag, 0.05 g/t Au over 0.25 meters (148672)

South 4 Mile Creek Showing UTM 5410882N 383355E
Eleven (11) select outcrop grab samples and one (1) select stream bed float grab sample were taken along this flat-lying exposure within the stream bed of 4 Mile Creek, located approximately 400 meters southwest of the Upper 4 Mile Creek (Tam Showing). This showing was discovered by the geologist Jacques Houle while prospecting upstream along 4 Mile Creek north from the Jasper Camp. The showing consists of semi-massive sulphides, sulphidic felsic to intermediate volcanics and sulphidic breccia veins containing 2-25% sulphides exposed over widths of 0.1-0.2 meters. One sample (148553) was taken from a weakly mineralized felsic intrusive dike, and was not analyzed.

Due to the poor exposure, representative chip samples could not be taken from the showing, but select outcrop and stream bed float grab samples yielded the following results:
- 1.770% Cu, 0.001% Pb, 0.042% Zn, 4.0 g/t Ag, 0.03 g/t Au over 0.1 meters (105407), and
- 1.192% Cu, 0.003% Pb, 0.010% Zn, 2.1 g/t Ag, nil Au (183618), and
- Low values from eight (8) other samples (105406, 105408, 105409, 105474, 105483, 128552, 128554, 183632), and

Select grab sampling from stream bed float yielded the following results:
- 0.265% Cu, 0.002% Pb, 0.015% Zn, 5.9 g/t Ag, 0.20 g/t Au (105405)

Camp View Showing UTM 5410554N 383863E
Two (2) select outcrop grab samples and three (3) representative outcrop chip samples were taken from a gently east-dipping zone located along a moderately steep, west-facing bluff located 750 meters southeast of the South 4 Mile Creek (Tam) showing. This showing was discovered by geologists Arne Birkeland and Jacques Houle while prospecting to follow up multi-line soil geochemistry anomalies generated in 2004 in the Upper 4 Mile Creek Road area. The showing consists of two adjacent outcrop exposures of silicified, chloritic, sericitic and limonitic felsic to intermediate volcanics containing 0.5-25% disseminated to blebby sulphides over widths of 0.2-2.5 meters.

Two (2) select outcrop grab samples yielded the following results:
- 1.098% Cu, 0.002% Pb, 0.058% Zn, 1.9 g/t Ag, 0.02 g/t Au over 0.6 meters (105413), and
- 0.487% Cu, 0.005% Pb, 5.380% Zn, 2.0 g/t Ag, 0.06 g/t Au over 0.2 meters (148913)

The (3) representative outcrop chip samples yielded the following results:

- 1.361% Cu, 0.001% Pb, 0.056% Zn, 4.0 g/t Ag, 0.02 g/t Au over 0.6 meters (105412), and
- 0.056% Cu, 0.003% Pb, 0.139% Zn, 0.6 g/t Ag, 0.02 g/t Au over 2.25 meters (continuous samples148914 over 1.3 meters and 149915 over 0.95 meters)

South Camp Creek Road Showings 5410000N 383750E
The overgrown switchback logging road situated immediately south of Camp Creek has been informally referred to as the South Camp Creek Road, and roadcuts along the road have exposed several sulphide-mineralized zones in outcrop and in a float boulder situated down-slope below the road, probably originated from nearby outcrops or road-cuts. Eighteen (18) samples in total, consisting of three (3) select outcrop grab samples, thirteen (13) representative outcrop chip samples and two (2) representative boulder chip samples were taken from five (5) separate areas along a 300 meter stretch along the road. This area was identified and previously sampled by Arnex field crews in prior years, but not documented in MINFILE. It is located approximately 200 meters north of the Pan South Road Showing (MINFILE 092C 088), and was sampled in 2004 by geologists Arne Birkeland, Jacques Houle and prospector Natasha Augustine.

The three (3) select outcrop grab samples (105414, 105416, 183562) were each taken from different locations each about 50 meters apart along the road, and consisted of variably sulphide mineralized, brecciated and/or quartz-veined felsic to intermediate volcanics. All three samples yielded generally low values, but sample 105414 taken from a fractured quartz-calcite breccia near the south end of the road did yield significant results in silver only, as follows:

- 0.061% Cu, 0.016% Pb, 0.031% Zn, 6.9 g/t Ag, 0.08 g/t Au

The thirteen (13) representative outcrop chip samples were taken from five (5) different locations along the road-cut, which exposed variably mineralized felsic volcanics. Only four (4) of the samples yielded significant results, the best of which (148905) was taken from the sharp switchback near the middle of the mineralized section along the road. This sample was taken from a 1.3 meter wide silicified and banded, cherty exhalite zone containing massive (75%) recrystallized sulphides, and yielded the following results:

- 6.864% Cu, 0.002% Pb, 0.010% Zn, 35.0 g/t Ag, 0.03 g/t Au over 1.3 meters (148905)

Other significant values were obtained from road-cut exposures in two (2) locations 50 meters northwest (148906) and 50 meters southeast (148696 to 148699) of sample 148905. Sample 148906 was taken from a steeply-dipping, east-west striking quartz-calcite stockwork vein containing minor chalcopyrite and malachite, and yielded the following results:

- 0.417% Cu, nil Pb, 0.020% Zn, 0.6 g/t Ag, 0.01 g/t Au over 0.7 meters

Samples 148696 to 148699 represent two sets of two continuous representative chip samples taken approximately 20 meters apart from chloritic and sericitic intermediate volcanics (148696 and 148697), and silicified felsic volcanics (148698 and 148699). Both zones are sheared and brecciated, contain up to 5% sulphides in blebs and yielded results as follows:

- 0.177% Cu, 0.001% Pb, 0.011% Zn, 1.5 g/t Ag, 0.02 g/t Au over 2.7 meters, including:
    - 0.507% Cu, 0.001% Pb, 0.009% Zn, 4.0 g/t Ag, 0.02 g/t Au over 0.9 meters (148696) and,
    - 0.141% Cu, 0.002% Pb, 0.011% Zn, 2.3 g/t Ag, 0.02 g/t Au over 2.9 meters, including:
        - 0.265% Cu, 0.003% Pb, 0.014% Zn, 5.0 g/t Ag, 0.05 g/t Au over 1.5 meters (148699)

The seven (7) representative chips samples which yielded low values were taken from a single area along the mineralized section of the road, and consisted of six (6) continuous representative chip samples (148663 to 148668 inclusive) and a separate (1) representative chip sample (148669).

The two (2) representative boulder chip sample were taken from two separate, large (~1 meter) float boulders about twenty five meters apart less than 10 meters down-slope from the site of chip sample 148905. The boulders consisted of heavily to massive sulphide mineralized (15-65%) felsic volcanics, and yielded the following results:

- 4.697% Cu, 0.003% Pb, 0.012% Zn, 10.3 g/t Ag, 0.001 g/t Au over 0.25 meters (148673), and
- 0.532% Cu, 0.004% Pb, 0.230% Zn, 1.9 g/t Ag, 0.02 g/t Au over 1.4 meters (148670)

Upper Pan Showing UTM 5409408N 383751E

The Upper Pan showing was re-discovered early during the 2004 field program by geologist Jacques Houle while prospecting up-hill from a significant soil geochemistry anomaly and sulphidic boulders found in and around the roots of an overturned tree established in prior programs by Arnex field crews. The Upper Pan showing is located approximately 100 meters north of the Pan South Road Showing (MINFILE 092C 088), and exhibits evidence of blasting and trenching activity. Two (2) select outcrop grab samples and five (5) representative outcrop chip samples were taken from the showing, which consists of sericitic, chloritic and argillic intermediate to mafic volcanics dipping gently to the east and containing 1-20% sulphides exposed over 3-5 meters width. Several large (0.2-1.0 meter) boulders similar in style to the Upper Pan showing were discovered lying atop old fallen trees 60 meters west and down-slope from showing. Two (2) continuous representative boulder chip samples were taken from one of these boulders, which are thought to have been blasted downhill from the showing. Three (3) select boulder grab sample were taken from smaller (0.15-0.3 meter) but similarly mineralized boulders in the area of the overturned tree located 40 meters west and down-slope from the larger boulders, and 100 meters west and down-slope from the Upper Pan Showing.

The two (2) select outcrop grab samples from the Upper Pan Showing yielded the following results:

- 1.015% Cu, 0.080% Pb, 0.300% Zn, 7.0 g/t Ag, 0.21 g/t Au over 0.2 meters (183531), and
- 1.378% Cu, 0.050% Pb, 0.290% Zn, 6.0 g/t Ag, 0.22 g/t Au over 0.5 meters (183532)

The five (5) representative outcrop chip samples from the Upper Pan Showing consisted of two continuous representative chip sample sets of three (3) and two (2) samples respectively, and yielded the following results:

- 0.430% Cu, 0.030% Pb, 0.032% Zn, 2.2 g/t Ag, 0.06 g/t Au over 5.0 meters (183533 to 183535 inclusive), containing:
  - 0.781% Cu, 0.030% Pb, 0.020% Zn, 3.0 g/t Ag, 0.06 g/t Au over 1.0 meters (183535) and,
  - 0.810% Cu, 0.025% Pb, 0.044% Zn, 3.7 g/t Ag, 0.09 g/t Au over 3.0 meters (183536 and 183537)

The two (2) continuous representative chip samples taken from the boulder directly below the Upper Pan Showing yielded the following results:

- 0.720% Cu, 0.060% Pb, 0.154% Zn, 6.9 g/t Ag, 0.18 g/t Au over 1.6 meters (183529 and 183530)

The three (3) select boulder grab samples taken from the smaller boulders near the overturned tree yielded the following results:

- 0.711% Cu, 0.060% Pb, 0.450% Zn, 6.0 g/t Ag, <0.01 g/t Au over 0.15 meters (183526), and
- 1.972% Cu, 0.030% Pb, 0.030% Zn, 7.0 g/t Ag, 0.12 g/t Au over 0.3 meters (183527), and
- 2.134% Cu, 0.030% Pb, 0.040% Zn, 7.0 g/t Ag, 0.07 g/t Au over 0.3 meters (183528)

During the 2004 field program, twenty three (23) new undocumented soil geochemical anomalies with elevated values of copper, zinc, lead, silver and/or gold were discovered through sampling by Inspiration, of which seven (7) can be explained, and sixteen (16) require follow-up prospecting. The 16 geochemical anomalies requiring follow-up are shown in Figure 10, and are listed from north to south as follows:

Line 4200W Anomaly UTM 5411286N 383400E

The Line 4200W anomaly is located immediately up-hill and northwest of the 4 Mile Creek Road, and consists of two single point anomalies 50-75 meters apart east and west of an incised channel containing a small, south-east flowing tributary of 4 Mile Creek. The eastern anomaly site appears as a two-element anomaly in copper (Cu) of 325 ppm and zinc (Zn) of 367 ppm, respectively (148551). The western anomaly site appears as a single element anomaly in lead (Pb) only of 188.7 ppm (183636). The anomaly may have a single source uphill and to the northwest, but prospecting in the area during the 2004 program was not successful in locating such a source, and it remains unexplained.

Line 4150W Anomaly UTM 5411212N 383632E
The Line 4150W anomaly is located 50-100 meters due south of, and may actually have the same source as, the Line 4200W anomaly; it is also immediately south-east of and down-hill of the 4 Mile Creek Road, and therefore may be contaminated in part by road building material. The Line 4150W anomaly consists of three (3) sample sites over an area of 50 meters by 50 meters, of which one (128555) appears as a two-element anomaly in copper (Cu) of 1231.1 ppm and silver (Ag) of 0.9 ppm, and is the furthest up-slope. Two other sample sites down-slope and to the southeast each display single element anomalies in copper (Cu) of 475.2 ppm (148806), and in zinc of 391 ppm (128556), respectively. Sample 148806 also contains at least some C horizon, propyllitic-altered intermediate volcanics. The anomaly remains unexplained, like the 4200W anomaly, and may be open up-hill to the east.

Line 4000W Anomaly UTM 5411092N 383374E
The Line 4000W anomaly is located approximately 100 meters due south of the Line 4150W anomaly, straddling the 4 Mile Creek Road. It consists of two (2) sample sites 100 meters apart along line 4000, each with a single element anomaly, each for a different element. The eastern anomaly site has a zinc (Zn) value of 500 ppm (148644), and the western anomaly site has a copper (Cu) value of 363 ppm (148642). The anomaly remains unexplained, like the 4200W and 4150W anomalies, but also may be open up-hill to the east.

Line 4000C Anomaly UTM 5411061N 383574E
The Line 4000C anomaly is located approximately 200 meters due east of the Line 4000W anomaly, in an area of wide line spacing (100 meters) roughly in the middle of the grid. It consists of a single point, single element anomaly in silver (Ag) of 0.7 ppm (183647), which is value of the mean plus 2 standard deviation anomaly threshold for silver. The anomaly is unexplained, and there are no known showings in the immediate area, which has not been prospected.

Line 3900E Anomaly UTM 5410980N 383978E
The Line 3900E anomaly is located along a 125 meter east-west section where two (2) lines from two grids converge: line 3900E from the Jas grid to the east, and line 2900E from the Pan grid to the west. The anomaly occurs primarily up-hill and east of the 4 Mile Creek Road straddling both sides of small, west-flowing creek. The anomaly consists of five (5) sites which are all anomalous in silver (Ag) only, two samples of which contain some C horizon material. The silver (Ag) values from anomalous sample sites consist of 0.8 ppm, 0.8 ppm, 0.9 ppm, 0.7 ppm, and 0.9 ppm (148515, 148962, 148517, 148963, and 148964)

respectively. Prospecting in the area during the 2004 field program was not successful in finding the source of this anomaly, which remains unexplained.

Line 3800E Anomaly UTM 5410885N 384080E
The Line 3800E anomaly is located at higher elevations along the east side of the Jas grid. This is a single point, two (2) element anomaly which may be related to, and possibly along strike of, the Line 3900E anomaly. It consists of values in lead (Pb) of 96.7 ppm and zinc (Zn) of 666 ppm (148885), and is in an area of very widely spaced (200-300 meter) grid lines. The area has not been adequately prospected, and the anomaly is unexplained.

Line 2850C Anomaly UTM 5410866N 383620E
The Line 2850C anomaly is located approximately 250 meters east of the South 4 Mile Creek showing and near the middle of the Pan grid. The anomaly consists of two sites on adjacent lines 50 meters apart, the northernmost and up-slope sample displaying a single element anomaly in lead (Pb) of 158.3 ppm (148622), but described as a poor sample including C horizon material in part. The southernmost and down-slope sample site (148631) displays a two-element anomaly in zinc (Zn) of 348 ppm and silver (Ag) of 0.7 ppm. The area has not been adequately prospected, and the anomaly is unexplained.

Line 2750E Anomaly UTM 5410844N 383807E
The Line 2750E anomaly is straddles the Upper 4 Mile Creek Road and the Jas and Pan grids, and is 50-250 meters south of the Line 3900E Anomaly, and 200 meters west and down-hill from the Line 3800E Anomaly. The Line 2750E anomaly is a four (4) element anomaly sporadically dispersed over seven (7) sites in a 200 meter by 200 meter area, and consists of the following samples, listed from north to south:

- 148634 – 25.4 ppb gold (Au)
- 148638 – 29.4 ppb gold (Au)
- 148882 – 1039.6 ppm copper (Cu) which is the furthest east and up-slope
- 148880 – 43.7 ppb gold (Au)
- 148536 – 75.4 ppm lead (Pb) and 93.1 ppb gold (Au)
- 148715 – 106.9 ppm lead (Pb) and 309 ppm zinc (Zn)
- 148713 – 337.7 ppm copper (Cu) and 35.3 ppb gold (Au)

This anomaly may be related to either or both the Line 3900E and Line 3800E anomalies, has not been adequately prospected, and like them remains unexplained. The site of sample 148882 contains green chert pebbles.

Line 2750W Anomaly UTM 5410800N 383248E
The Line 2750W anomaly is located 100 to 150 meters west and up-slope from the South 4 Mile Creek Showing, along the west side of the Pan grid.   The anomaly consists of five (5) sites along two converging linear trends, with the central site (105471) displaying anomalous values in silver (Ag) of 1.4 ppm and gold (Au) of 53.8 ppb. The other two sites along a northeast linear trend display values of lead (Pb) of 173.4 ppm and gold (Au) of 139.7 ppb (105464) and 28.6

ppb (184622), respectively. The other site along a southeast linear trend displays a value of silver (Ag) of 1.3 ppm. No prospecting has been done in the area, and the anomaly may be open up-slope to the west. The Line 2750W anomaly may be related to the South 4 Mile Creek Showing, but is situated both stratigraphically and topographically higher. The anomaly is unexplained.

Line 2650C Anomaly UTM 5410706N 383712E

The Line 2650C Anomaly is located 250 meters northwest of the Camp View Showing near the middle of the Pan grid, straddling the small, south-flowing tributary of Camp Creek. The Line 2650C anomaly is a four (4) element anomaly (but primarily silver and zinc) sporadically dispersed over fourteen (14) sites over a 250 meter by 150 meter area, and consists of the following samples, listed from north to south:

- 148525 – 1.0 ppm silver (Ag)
- 148708 – 1.1 ppm silver (Ag)
- 148707 – 0.7 ppm silver (Ag)
- 148704 – 0.8 ppm silver (Ag)
- 148701 – 0.8 ppm silver (Ag)
- 148726 – 34.5 ppb gold (Au)
- 148724 – 115.5 ppm lead (Pb) and 671 ppm zinc (Zn)
- 148723 – 439 ppm zinc (Zn)
- 148722 – 0.7 ppm silver (Ag)
- 148719 – 1.0 ppm silver (Ag)
- 148539 – 382 ppm zinc (Zn)
- 148658 – 380 ppm zinc (Zn)
- 148657 – 359 ppm zinc (Zn)
- 148656 - 439 ppm zinc (Zn)

The Line 2650C anomaly may be related to the Line 2750C anomaly located 100-250 meters to the north. The area has not been well prospected and the anomaly is unexplained. In particular, the small tributary should be prospected.

Line 2150C Anomaly UTM 5410170N 383724E

The Line 2150C anomaly is located in the vicinity of the South Camp Creek Road Showing, near the middle of the Pan grid. It consists of seven (7) sites dispersed over an area of 200 meters by 100 meters, straddling the area of double switch-backs in the South Camp Creek Road. The only 2 element anomaly site (183602) located along the ridge crest north of the road displayed 2,014.9 ppb gold (Au) and 125.8 ppm lead (Pb), and the only anomaly site down-slope is 100 meters to the north (126576) displayed 72.6 ppb gold (Au) and a marginally sub-anomalous 67 ppm lead (Pb). This northern portion of the Line 2150C anomaly area has not been adequately prospected and is unexplained. To the south, four (4) anomaly sample sites (148590, 148588, 148580, and 148998) each displayed single element anomalies of 48.3 ppb gold (Au), 77.8 ppb gold (Au), 355.4 ppm copper (Cu), and 577.4 ppm copper (Cu). This southern portion of the Line 2150C anomaly is explained by the presence of the South Camp Creek Road Showing.

Line 1800C Anomaly UTM 5409843N 383754E
The Line 1800C anomaly is located 200 meters south of the South Camp Creek Road Showing in the middle of the Pan grid. It consists of four (4) sample sites along a 200 meter long northwest linear trend. The only multi-element anomaly site (148593) displayed 777.5 ppm copper (Cu), 230.8 ppm lead (Pb) and 25.9 ppb gold (Au). To the northwest sample site 148569 displayed 315 ppm zinc (Zn), and sample site 148597 displayed 111.4 ppm lead (Pb). To the southeast, sample site 148890 displayed 85.1 ppb gold (Au). Prospecting completed during the 2004 field program in the area discovered the Line 1850 outcrop area, which yielded somewhat anomalous copper and zinc values in bedrock. However, this may not explain the multi-element anomaly 50 meters south, and does not explain the gold soil anomaly up-slope 100 meters to the southeast.

Line 1600C Anomaly UTM 5409640N 383650E
The Line 1600C anomaly is located 300 meters northeast of the Upper Pan and Pan South Road Showings in the middle of the Pan grid. It consists of a single point, single element anomaly of 77.4 ppm lead (Pb) from sample 148568. Prospecting in the area during the 2004 field program was not successful, and the anomaly is unexplained. However, the anomaly may be related to the possible northeast projection of the Upper Pan Showing.

Line 1550E Anomaly UTM 5409684N 384022E
The Line 1550E anomaly is located 250 meters east of the Line 1600C anomaly, and 500 meters northeast of the Pan Showings. It straddles the decommissioned logging road along the eastern side of the Pan grid, and consists of three (3) adjacent, single element anomaly sites within 100 meters at the east end of Line 1550, and one (1) single element anomaly site at the eastern end of converging Line 1250. The easternmost up-slope site (148976) displayed 0.9 ppm silver (Ag), the middle site (148975) displayed 76.2 ppm lead (Pb) and the westernmost down-slope site (148974) displayed 844 ppm zinc (Zn). The other site approximately 25 meters to the south (148978) displayed 27.5 ppb gold (Au). The area of the Line 1550E anomaly has not been prospected, and the anomaly is unexplained and may be open as no other lines exist to the north or south.

Line 1450C Anomaly UTM 5409541N 383822E
The Line 1450C anomaly is located only 100 meters south of the Line 1600C anomaly, and 200 meters northeast of the Pan showings, and could be related to projections of either or both. The anomaly is a single site (148983) multi-element anomaly which displayed 150.7 ppm lead (Pb), 0.7 ppm silver (Ag) and 203.7 ppb gold (Au). Prospecting in the area during the 2004 field program was not successful, and the anomaly is unexplained.

Line 1150C Anomaly UTM 5409422N 383967E
The Line 1150C anomaly is located 200 meters southeast of the Line 1450C anomaly, and 250 meters due east of the Pan showings. The anomaly is a

single site (148822) two (2) element anomaly displaying 412 ppm zinc (Zn) and 1.4 ppm silver (Ag). The anomaly needs to be placed in context with previous soil geochemistry surveys as the line straddles the junction area of pre-2004 and 2004 surveys. Prospecting in the area during the 2004 field program was not successful and the anomaly is unexplained.

Exploration

During the period 2007-2008, the author managed two work programs on behalf of Inspiration carried out on the Jasper Property, consisting of:

- Geochronology Sampling and Analyses in June, 2007 to January 2008, submitted and filed for mineral tenure assessment (ARIS Report 29659), and
- Magnetic and Electromagnetic Airborne Geophysical Survey in February to April, 2008, submitted and filed for mineral tenure assessment (report number pending)

On June 7, 2007 the author attempted to complete a site visit to the Jasper property, but the Caycuse Main access road was blocked by fallen trees and washouts, and so the site visit was unsuccessful. A key for a new lock and access gate along the Caycuse Main road was purchased on June 25, 2007 from forest tenure holder and logging company Teal-Jones on behalf of Inspiration. Between July 30 and August 5, 2007 prospector Allan Francis, along with a helper, completed road clearing and washout repair work on the Caycuse Main access road to the Jasper Property at the request of the author. On November 13, 2007 the author visited the Jasper Property with a field assistant and selectively sampled and located by GPS road cut rock exposures of three known sulphide mineral occurrences, and one rock outcrop exposure of an interpreted rhyolite dome structure (Sample 364651). The sulphide mineral occurrences sampled consisted of Jasper 1 MINFILE 092C080 Jasper J-Branch Main Showing (Sample 364652), Pan MINFILE 092C088 Pan Road North Showing (Sample 364653), and Pan MINFILE 092C088 Pan Road South Showing (Sample 364654). All samples were sent on November 14, 2007 to Dr. Mortensen at UBC, where test work was completed by January 18, 2008.

The four sample sites selected by the author for geochronology sampling were established in previous work programs, and geochemistry results for sampling from these sites appear in the **Mineralization** section of this report. The interpreted rhyolite dome sample site (sample 364651), and the Jasper J-Branch Main sample site (sample 364652) are located along decommissioned logging roads which require foot access along a steep trail from the existing and truck-accessible logging work network including the Caycuse Main Road. The two Pan Road samples sites (samples 364653, -54) are located along truck-accessible portions of the Caycuse Main Road.

All four samples were sent in their entirety by Greyhound Bus Parcel Express from Nanaimo to Dr. James K. Mortensen, Ph.D., P.Eng. at the Pacific Centre for Isotopic and Geochemical Research (PCIGR) facility at the University of British Columbia in Vancouver for dating and isotopic studies. The results of this work are fully documented in Dr. Mortensen's report which appears in Appendix 1.

In August, 2007 a contract was approved by Inspiration Mining Corporation with Aeroquest Ltd. to undertake a helicopter-borne magnetic and electromagnetic geophysical survey over the entire Jasper Property. Due to other obligations by Aeroquest, mobilization to the operational base at Port Alberni did not occur until January 28, 2008. The survey was completed from February 13th to 19th, 2008; and the Aeroquest April, 2008 Final Report (Appendix 2) was completed by Aeroquest in April, 2008.

The total survey coverage was 817.9 line-km, of which 789.1 line-km fell within the defined survey area (the Jasper Property). The flights lines were oriented north-south at spacings of 100 metres, and the control (tie) lines were flown east-west at spacings of 1000 metres.

The line spacing and orientations were selected by the author based on the following criteria:

- Known sulphide showings on the property are exposed over short (10 metres or less) strike lengths (Birkeland, 2004), so minimal (100 m.) line spacings were recommended for the airborne geophysical survey.
- Known sulphide showings and rare bedding measurements on the property are highly variable in orientation (Birkeland, 2004), so flight line orientations for the survey were considered arbitrary. The north-south orientation of the flight lines was recommended to help minimize ground clearance along the predominantly north-south valleys in the survey area.

All technical data for the survey appears in the Aeroquest April, 2008 Final Report (Appendix 2). The General Comments (Section 8 on Page 12) of the Aeroquest report briefly summarize the Magnetic Response (Section 8.1) and EM Anomalies (Section 8.2) from the survey. Interpretations and conclusions were neither requested from nor provided by Aeroquest. The most readily useable technical data are the hardcopy deliverables presented as 10,000 scale coloured paper maps in E-size paired sets of 2 maps (North Sheet – Plate 1) and South Sheet – Plate 2), listed in Section 6.1 as follows:

- TMI – Coloured Total Magnetic Intensity reduced to pole with line contours and EM anomaly symbols
- ZOFF0 – AeroTEM Z0 Off-time with line contours and EM anomaly symbols
- TDR – Tilt Derivative of TMI with line contours and EM anomaly symbols

Drilling

The only record of drilling on the Jasper Property consists of four short holes totaling 118 metres drilled in 1987 in the vicinity of the Avallin showing by Nuspar Resources Ltd., with negative results. There is no reason to suspect that any significant drilling programs were ever conducted elsewhere on the Property.

Sampling Method and Approach

Specific outcrop exposures at each of the four geochronology sample sites were selectively sampled using a sledge and moil to extract 5-10 kg. in large, un-weathered pieces. At each site, the sample number was entered in the Garmin Etrex Vista GPS memory as a waypoint. The interpreted rhyolite dome sample consisted of two pieces which together weighed about 20 kg., and each of the other three samples weighed about 5 kg. The rock samples were each placed in new plastic sample bags into which 1 or 2 parts of Acme 3-part sample tags were inserted, and sealed using plastic cable ties to prevent spillage.

Sample Preparation, Analyses and Security

The author maintained secure custody of the geochronology samples from the time they were taken to the time they were delivered to the bus depot for transport to UBC. Refer to Appendix 1 for the sample preparation and analytical methods used by the PCIGR at UBC for the geochronology program.

Data Verification

The only data verification conducted in the geochronology analyses were the standard internal methods used by UBC when doing lead isotopic analyses, as described in Appendix 1. For the airborne geophysical program, Aeroquest's field QA/QC procedures are described on Page 3 of Appendix 2.

Adjacent Properties

As of the date of this report, no actively explored mineral properties exist adjacent to the Jasper Property. Immediately south of the Property is a large contiguous group of mineral tenures held by Emerald Fields Resource Corp.

Mineral Processing and Metallurgical Testing

No mineral processing or metallurgical testing has been conducted on any of the samples of sulphide mineralization taken from the Jasper Property.

Mineral Resource and Mineral Reserve Estimates

No mineral resource or mineral reserve estimates have been made for any of the mineralized zones located on the Jasper Property.

Other Relevant Data and Information

The Jasper Property represent a large, attractive early stage exploration project, with multiple clusters of massive sulphide occurrences in a geological setting similar to active and successful mining districts elsewhere. However, the social license to develop and operate a mine is not guaranteed to the mineral tenure holder anywhere, including on Vancouver Island. The only metal mine on Vancouver Island (Myra Falls) has recently suspended operations, and no new metal mine has been permitted since the 1960's. It is also possible that local surface tenure holders, recreation/conservation groups and/or communities may actively and successfully oppose future mine development in the area of the Jasper Property. Finally, the treaty process between all First Nations and federal and provincial governments is still in progress with no final treaties anticipated for some time for all First Nations with traditional territory in the area of the Jasper Property. Co-operation agreements between local First Nations bands and any new mine proponent are usually required to develop a mineral property today in B.C. However, it is assumed under the B.C. government's 2-Zone model that the Jasper Property is available for future exploration, development and mining, and that the B.C. Ministry of Energy Mines and Petroleum Resources will act as an effective advocate and permitting authority on behalf for any proponent who follows its laws and regulations required during all stages of any future work on the Jasper property.

The author is not aware of any other information, the absence of which would make this report incomplete or misleading.

Interpretation and Conclusions

Exploration evidence gathered to date indicates either one or both of the following two genetic interpretations for the cluster of copper-zinc-lead-silver-gold occurrences situated along a 4 km. north-south trend through the centre of the Jasper Property:

1. **Noranda/Kuroko Massive Sulphide Copper-Lead-Zinc-Silver-Gold Deposits (syngenetic with host rocks) of Jurassic age based on the following:**

- The Jasper Property is underlain by a sub-aqueous Island Arc volcanic assemblage.

- A major north – south structure transects Vancouver Island. Four Mile Creek and the Jasper Property underlie a portion of the structure.

- The structure controls the alteration zone on the Property and may be a failed rift zone. The rift zone controlled proximal bi-modal volcanic arc build up and possible associated deposition of a cluster of VMS deposits along the rift structure. The ancient rift failed in Eocene time resulting in an alteration overprint. Massive sulphides were faulted and may have been partially remobilized by the Eocene “Catface” event.

- Glacial till and colluvium cover were deposited over most of the Four Mile Creek basin masking the Island Arc volcanic stratigraphy and possible associated VMS deposits. Geochemical anomalies were formed in the soils by weathering processes down slope of buried sulphide occurrences.

- Sulphide mineralization at the J-Branch Main Showing appears to be proximal Noranda/Kuroko type. The mineralization is predominantly pyrite and chalcopyrite with lesser sphalerite and galena. The mineralized lenses contain explosive breccia fragments of massive sulphide and wallrock volcanic fragments hosted in a massive sulphide matrix.

- Sulphide mineralization at the Pan Road Showings appears to be distal Noranda/Kuroko type that may have been deposited some distance down slope from an explosive vent. The mineralization is predominantly sphalerite and galena with pyrite and chalcopyrite occurring locally. Some of the massive sulphide appears to be stratabound and some is capped by a calcite-barite-chert (chemical exhalite?) horizon.

Assuming the VMS interpretation is correct, the following conclusions have been proposed by A. Birkeland, and are supported by the author:

- A pyritic-argillic hydrothermal alteration zone is present along the north-south fault structure in Four Mile Creek trending to the north towards Jasper Creek.

- The alteration zone contains at least thirteen (13) massive sulphide showings, most of which are exposed in logging road-cuts and creek beds, and warrant trenching and/or diamond drilling.

- Highly anomalous polymetallic soil geochemical anomalies were reported from grid soil sampling conducted on the Property. At least sixteen (16) unexplained anomalies warrant follow-up prospecting and sampling.

2. Epithermal Gold-Silver-Copper (epigenetic) of probable Jurassic or possible Eocene age, and genetically related Copper Skarn +/- Porphyry Copper-Molybdenum-Gold, based on the following:

- Similar geological/structural setting, alteration style and secondary geochemical dispersion soil anomalies as for VMS deposits.

- Massive replacement pods, lenses, stockworks and breccias of sulphide mineralization in most of the showings suggest probable epigenetic origin.

- Re-interpretation of “rhyolite dome” geochronology sample as intensely silicified, brecciated dacite, suggests probable epigenetic origin.

- Spatial association of large (2 km. by 2 km.) copper skarn province discovered in the 1950’s (Avallin showing) in NE portion of Property in favourable stratigraphic units (Quatsino Limestone) known for hosting significant past producers and prospects elsewhere on Vancouver Island.

- Discovery of porphyry style mineralization in the 1960’s in several locations east of the Property (ARIS Report 2163).

- Spatial association of twenty one (21) electromagnetic conductors in sub-parallel generally east-west linear clusters, with co-incident regions of high background conductivity and steep magnetic gradients in the unexplored east-central portion of the Property, orthogonal to and east of main north-south alteration zone, suggesting possible crosscutting sulphide (feeder?) veins along alteration zones within magnetite-bearing intrusions.

Assuming the epigenetic interpretation is correct, the following conclusions are proposed by the author:

- The electromagnetic anomalies and regions of high conductivity response and steep magnetic gradients in the east-central portion of the property need to be investigated by prospecting, and appropriate sampling.

- The Avallin showing in the northeast portion of the property also needs to be investigated by prospecting and appropriate sampling.

- If significant evidence for Porphyry Copper style mineralization is found, appropriate exploration programs would be proposed as follow-up work.

Data reliability for the programs conducted by Inspiration from 1995 to 2008 is considered high. Rock chip sampling at showing areas is considered to be reproducible. Sample density for soil grid geochemistry is considered adequate to define soil anomalies. The exploration programs carried out by Inspiration achieved project objectives and indicates more work is warranted.

Recommendations

A two phase $2 million exploration program is recommended, with the $650,000 Phase 1 program requiring up to a year, and consisting of 4 stages as follows:

1. G.I.S. Compilation - $50,000
The historic and recent exploration data for the Jasper Property have yet to be integrated into a G.I.S. data base, which needs to be done as soon as possible. This is industry standard practice for any moderate to large mineral exploration project. Using the airborne geophysical data as a platform, it is estimated that a G.I.S. specialist working in conjunction with a qualified and experienced geologist could complete this compilation in 3 months at a cost of about $50,000.

2a. Ground-truth Airborne Anomalies and Avallin Showing - $50,000
The twenty one (21) eastern airborne anomalies need to be ground-truthed by G.P.S. guided prospecting to determine their causes and, if appropriate, to map and sample rock outcrops over the anomalies that may contain any significant sulphide mineralization. Also, the Avallin (MINFILE 092C037) needs to be visited and, if appropriate, mapped and sampled to characterize that mineralization to compare with that from the other 13 known sulphide occurrences on the Jasper Property. A simultaneous stream moss mat sampling program will be conducted in the area at appropriate sample spacing to detect any subtle secondary dispersions of possible mineralization. Using a temporary truck and trailer-based exploration camp located along the Seven Mile Creek Logging Road, it is estimated that the field portion of this work could be completed in two weeks by a four person crew consisting of 2 geologists and 2 prospectors and/or geoscience students at a cost of $40,000. This program would best be completed during the May-July period. A further $10,000 would be required for analyses and reports to be completed after the field program, for a total budget of $50,000.

2b. Follow-up sampling and prospecting of 2004 soil anomalies - $ 50,000
The sixteen (16) unexplained ground geochemical anomalies resulting from the 2004 field exploration program need to be followed up by G.P.S. guided grid extensions, soil sampling and prospecting to determine their causes and, if discovered, to map and sample rock outcrops that may contain any significant sulphide mineralization. Using a temporary truck and trailer based exploration camp located at the Jasper Camp along the Four Mile Creek Logging Road, it is estimated that the field portion of this work could be completed in two weeks by a four person crew consisting of 2 geologists and 2 prospectors and/or geoscience students at a cost of $40,000, immediately before or after with the ground-truth program. A further $10,000 would be required for analyses and reports to be completed after the field program, for a total budget of $50,000.

3. Mechanized trenching of MINFILE and 2004 showings - $100,000
The three MINFILE occurrences and 9 showings discovered in 2004 need to be followed up with mechanized trenching to help expose them for better

representative chip sampling, detailed geological mapping and if appropriate, to establish proper drill pads and optimum drill orientations for subsequent testing. Most of the showings require temporary access trails to be excavated from the existing network of logging roads. Using a temporary truck and trailer based exploration camp located at the Jasper Camp along the Four Mile Creek Logging Road, it is estimated that this work could be completed in two weeks by a five person crew consisting of 2 geologists, 2 prospectors and/or geoscience students, and 1 backhoe operator at a cost of $75,000, immediately after the preceding two programs. A further $25,000 would be required for trail engineering and design, analyses and reports, and posting a reclamation bond and/or completing reclamation work, for a total budget of $100,000.

4. Initial diamond drilling of MINFILE and 2004 showings - $400,000
Diamond Drilling should be conducted on the highest priority targets resulting from the previous work programs. Conceptually, approximately 25 to 35 holes totaling 3,000 to 5,000 m. is warranted as follows:

- Three to six holes should be allocated to each of the MINFILE showings
- Two to four holes should be drilled on each of the other showings
- Two stratigraphic holes totaling 1,000 to 1,500 m. should be drilled in the vicinity of the Jas J-Branch Main and Pan Road showing areas.

Using a temporary truck and trailer based exploration camp located at the Jasper Camp along the Four Mile Creek Logging Road, it is estimated that this work could be completed in two months by a four person crew consisting of 1 geologist, 1 prospector and/or geoscience student, and 2 drillers at a cost of $350,000, approximately 1-2 months after the preceding programs. A further $50,000 would be required for analyses and reports, and posting a reclamation bond and/or completing reclamation work, for a total cost of $400,000.

Conditional upon Phase 1 success, a $1.35 million Phase 2 program is recommended, requiring 1-2 years, and consisting of four stages as follows:

1. Socio-economic programs:	
a. Environmental baseline study and monitoring program	$ 50,000
b. First Nations partnership & Forestry road use agreements	$ 50,000
2. Property scale geological mapping program	$150,000
3. Mechanized trenching program:	
a. Selected EM anomalies and portions of Avallin showing	$150,000
b. Phase 1 prospecting discoveries from ground follow-up	$150,000
4. Diamond drilling program:	
• Initial diamond drilling of EM anomalies, Avallin showing	$400,000
• Follow-up diamond drilling of MINFILE and 2004 showings	$400,000

Details of the Phase 2 program, if warranted, would be developed following the Phase 1 program.

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Date and Signature Page

Seal of Qualified Person

Signature of Qualified Person

Dated this 12th Day of January, 2009

Jacques Houle, P.Eng.

Printed Name of Qualified Person

Certificate of Author Jacques Houle, P.Eng.

I, Jacques Houle, P.Eng. Do hereby certify that:

1. I am currently employed as a consulting geologist by: Jacques Houle, P.Eng. Mineral Exploration Consulting 6552 Peregrine Road, Nanaimo, British Columbia, Canada V9V 1P8
2. I graduated with a Bachelor's of Applied Science degree in Geological Engineering with specialization in Mineral Exploration from the University of Toronto in 1978.
3. I am a member in good standing with the Association of Professional Engineers and Geoscientists of British Columbia, the Society of Economic Geologists, the Association for Mineral Exploration British Columbia, and the Vancouver Island Exploration Group; I am also a member of the Technical Advisory Committee for Geoscience B.C.
4. I have worked as a geologist for 30 years since graduating from university, including 5 years as a mine geologist in underground gold and silver mines, 15 years as an exploration manager, 3 years as a government geologist and 5 years as a mineral exploration consultant.
5. 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, membership in 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.
6. I am responsible for the preparation of the Technical Report entitled "Technical Report on the Jasper Property". I visited the mineral property in 2000 and worked on the property in 2004 and in 2008.
7. I have had prior involvement with the property that is the subject of the Technical Report, both as a government geologist and as a consultant.
8. 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.
9. I am independent of the issuer applying all the tests in NI 43-101.
10. I have read National Instrument NI 43-101, Companion Policy 43-101.CP and Form 43-101F1, and the Technical Report has been prepared in compliance with that instrument, policy and form.

Dated this 12th day of January, 2009

Signature of Qualified Person
Jacques Houle, P.Eng.

Figure 1 - BC Location Map for Jasper Property

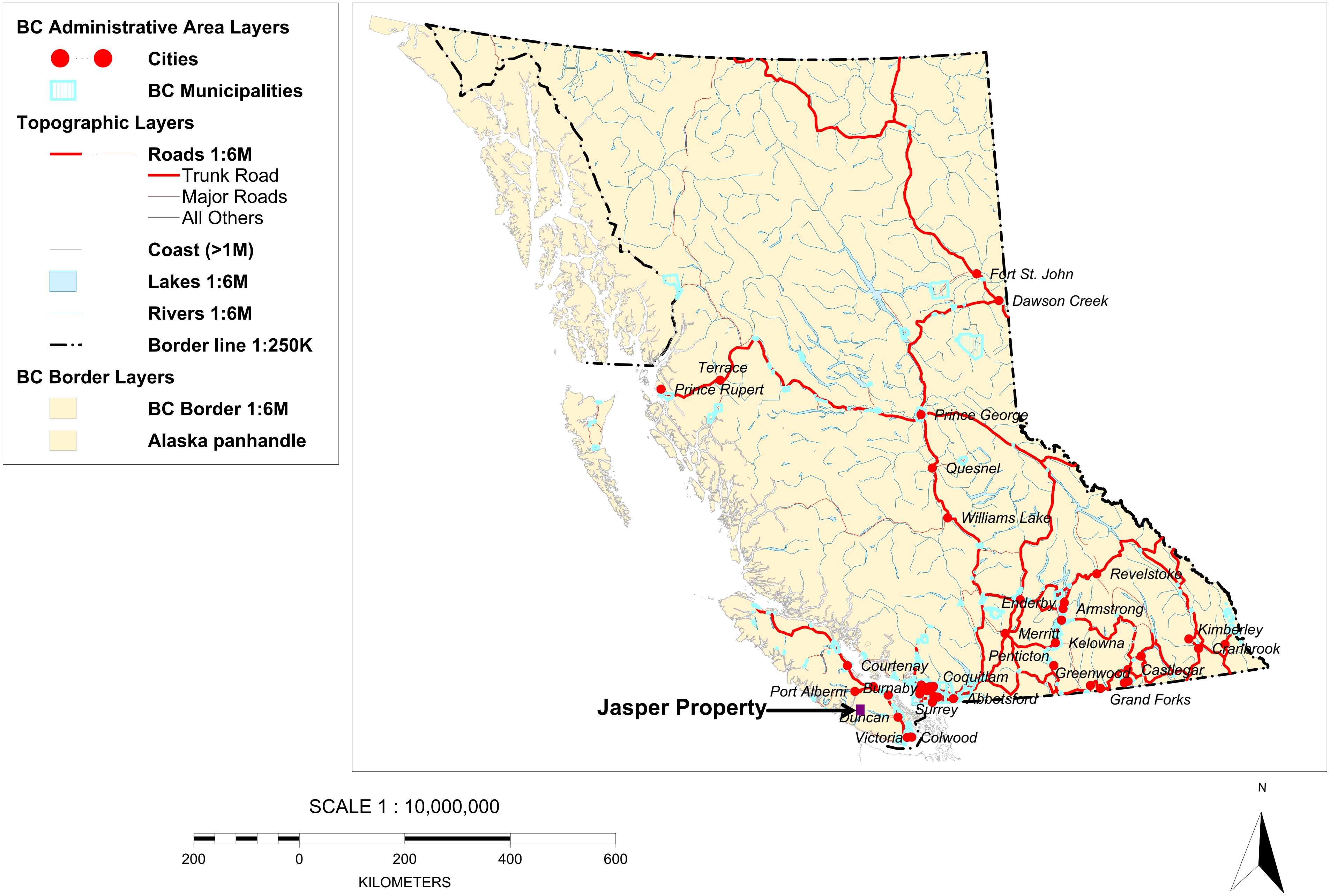
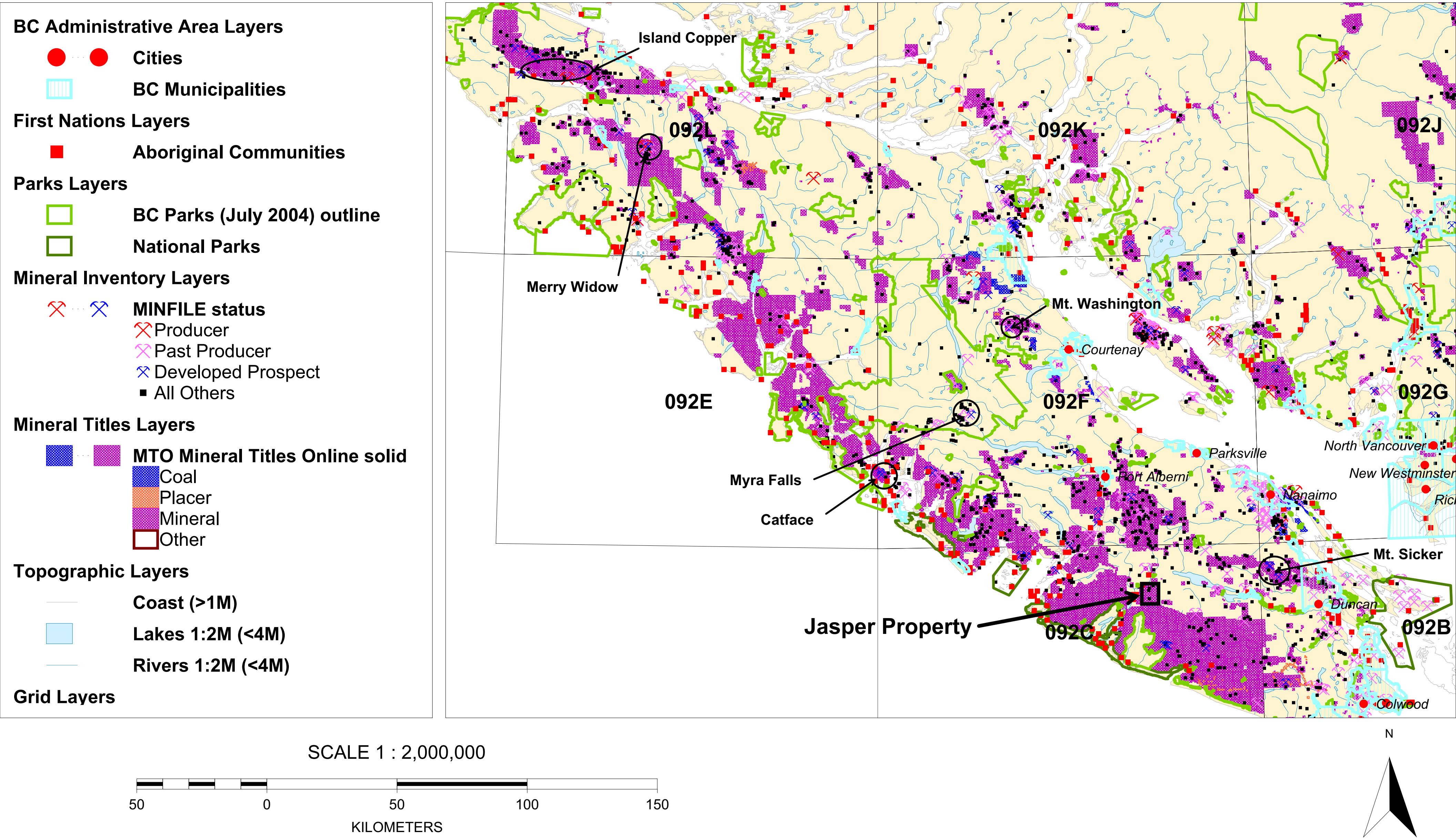


Figure 2 - Vancouver Island Location Map for Jasper Property



http://webmap.em.gov.bc.ca/mapplace/maps/minpot/bcgs.MWF

December 23, 2008 11:21 AM

Figure 3 - Mineral Claim Map for Jasper Property

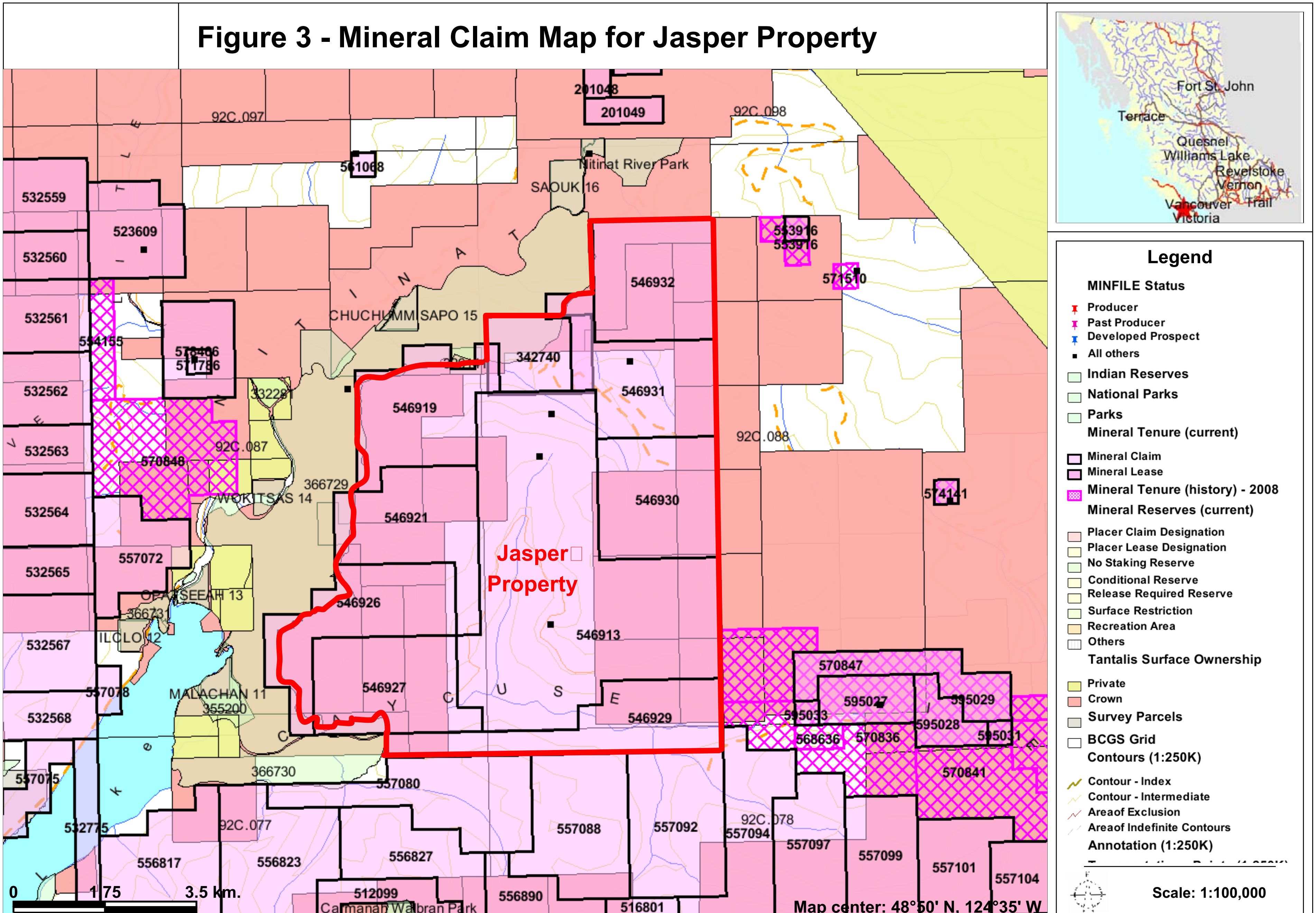


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Figure 4 - Vancouver Island Geological Setting Map

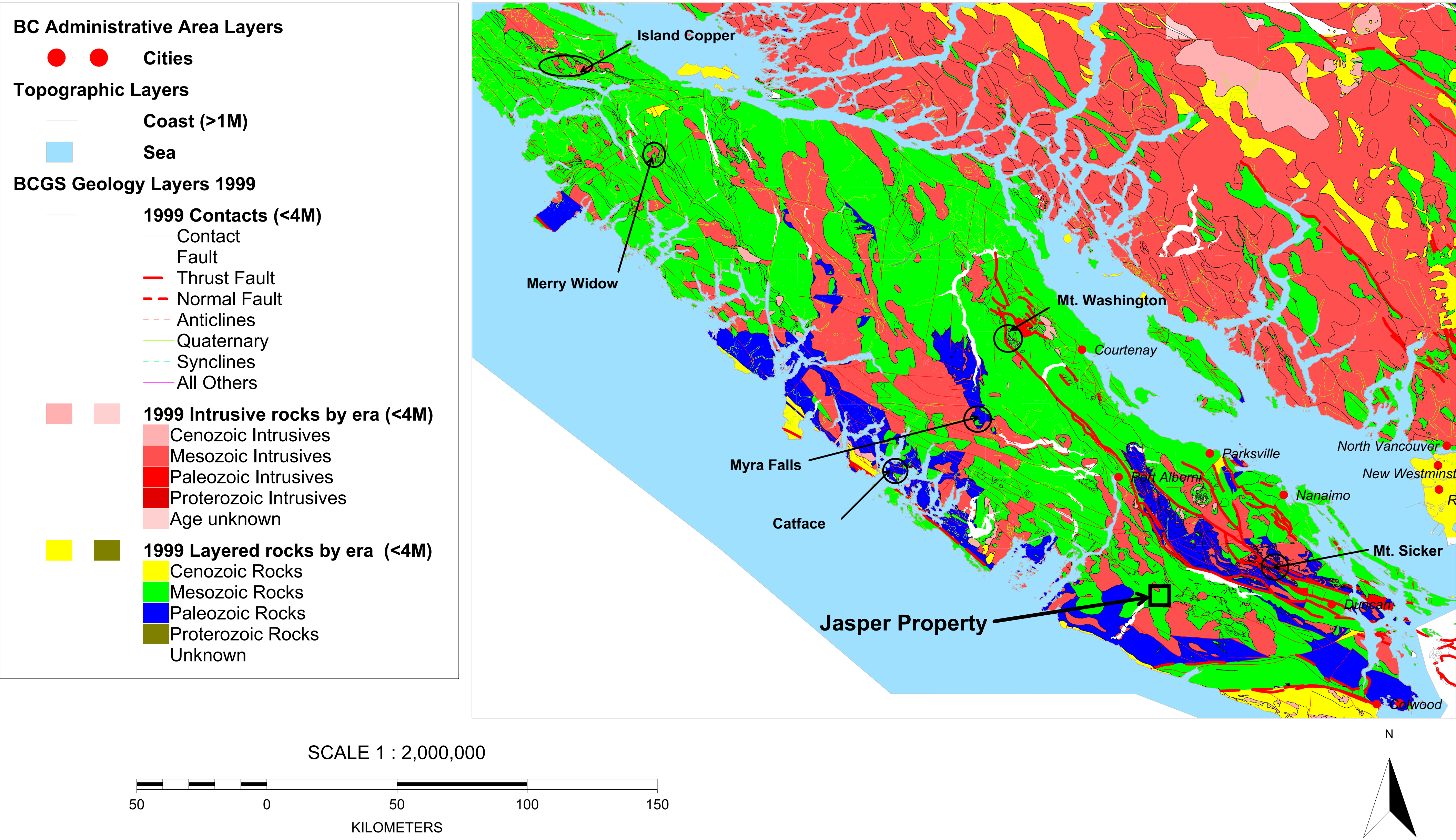


Figure 5 - Local Geology Map for Jasper Property

First Nations Layers

Indian Reserves

Mineral Inventory Layers

MINFILE number label
- Developed Prospect
- Past Producer
- Producer
- Prospect
- Showing
- All Others

Mineral Titles Layers

MTO Mineral Titles Online Labels <200K
- Coal
- Placer
- Mineral
- Other

Topographic Layers

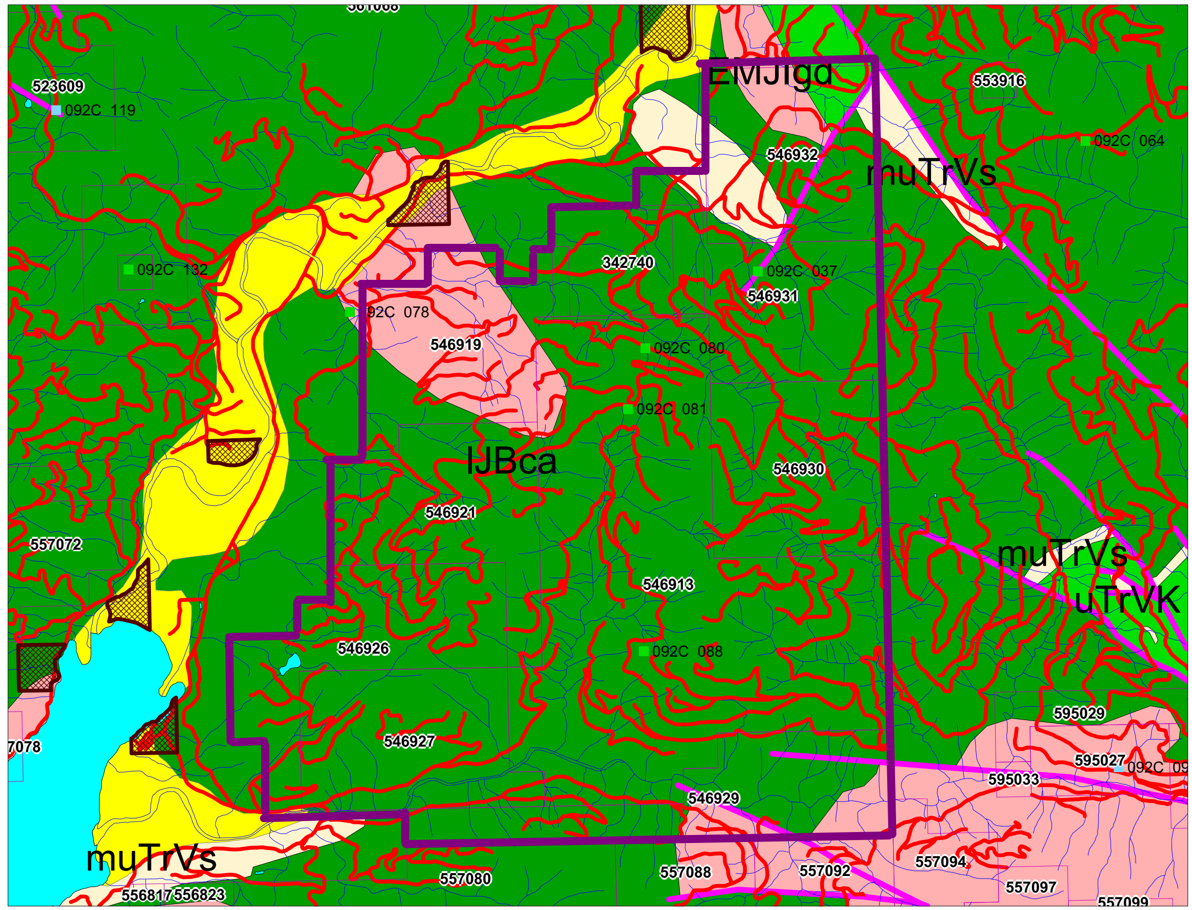
Roads 1:20K undefined

Lake 1:20k

Rivers 1:20K (<100K)

BCGS Geology Layers 2005

Quaternary Geology (<1.5M)



SCALE 1 : 100,000

2 0 2 4 6

KILOMETERS

N

Figure 6
Geology Legend

Bounding Box: *North: 48.894 South: 48.789 West: -124.698 East: -124.483*

NTS Mapsheet: 092C

Early Jurassic to Middle Jurassic

Island Plutonic Suite

	EMJIgd	granodioritic intrusive rocks

Lower Jurassic

Bonanza Group

	lJBca	calc-alkaline volcanic rocks

Middle Triassic to Upper Triassic

Vancouver Group

	uTrVK	**Karmutsen Formation:** basaltic volcanic rocks
	muTrVs	undivided sedimentary rocks

British Columbia Ministry of Energy, Mines and Petroleum Resources
Geological Survey Branch

Figure 7 - Local MINFILE & ARIS Map for Jasper Property

First Nations Layers

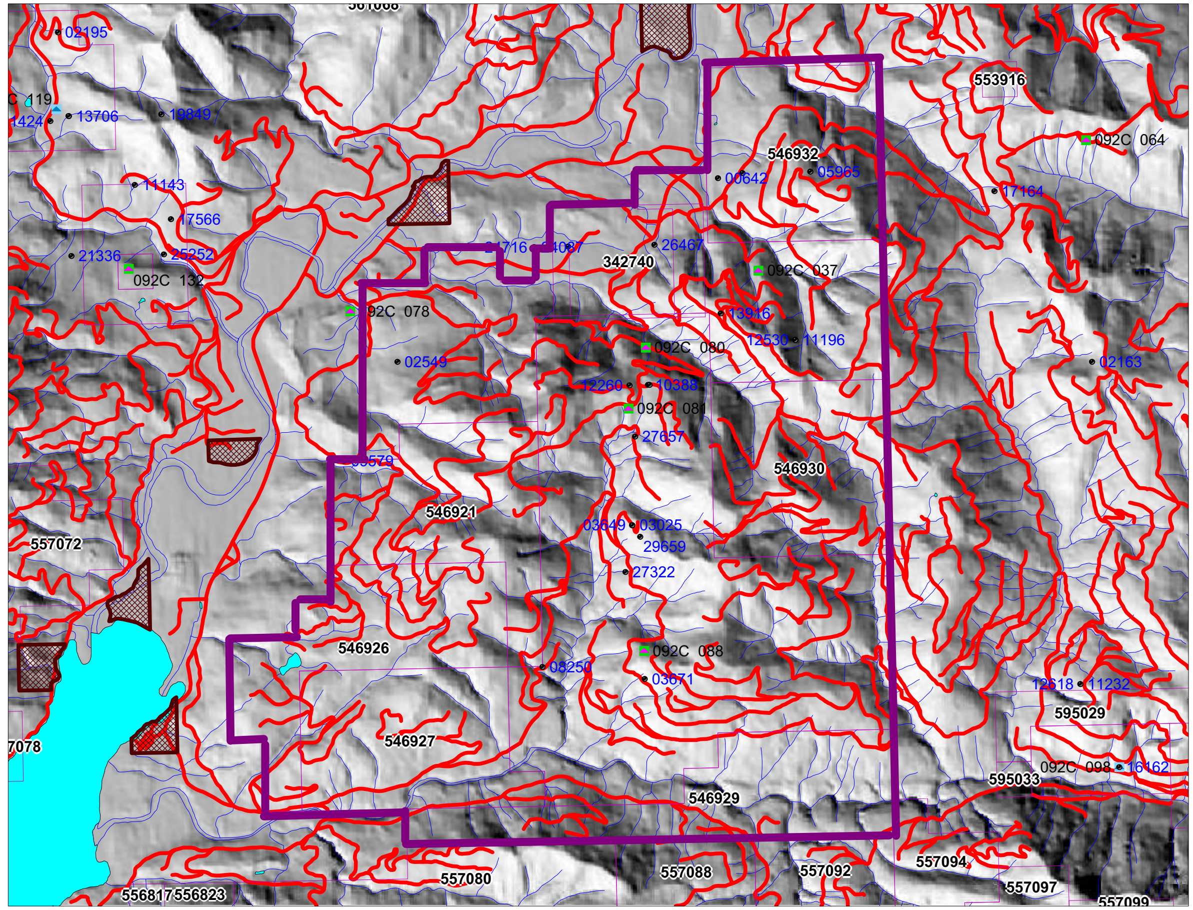
- **Indian Reserves**

Mineral Inventory Layers

- **ARIS number label**
- **MINFILE status**
  - Producer
  - Past Producer
  - Developed Prospect
  - Prospect
  - Showing
  - All Others
- **MINFILE number label**
  - Developed Prospect
  - Past Producer
  - Producer
  - Prospect
  - Showing
  - All Others

Mineral Titles Layers

- **MTO Mineral Titles Online Labels <200K**
  - Coal
  - Placer
  - Mineral
  - Other



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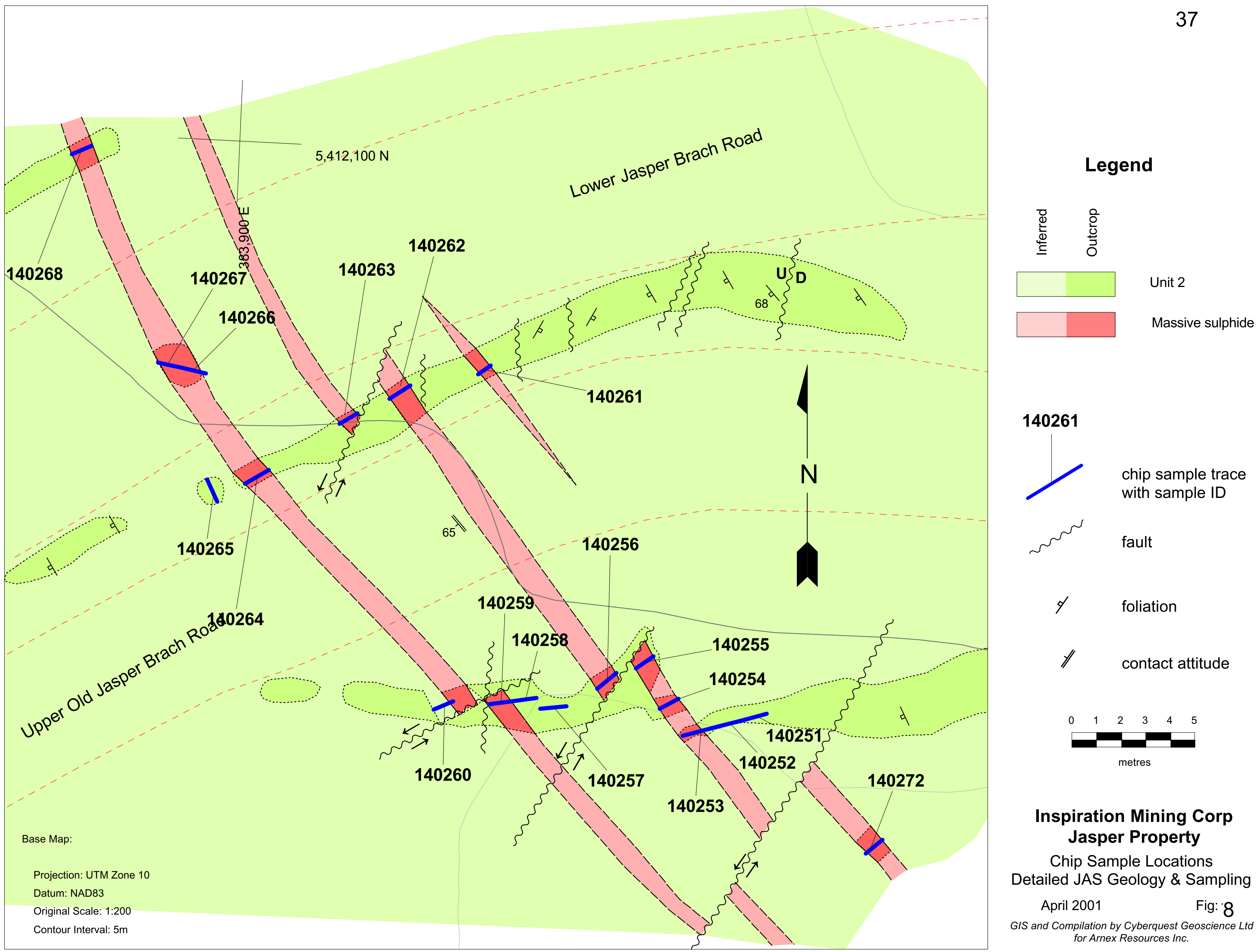
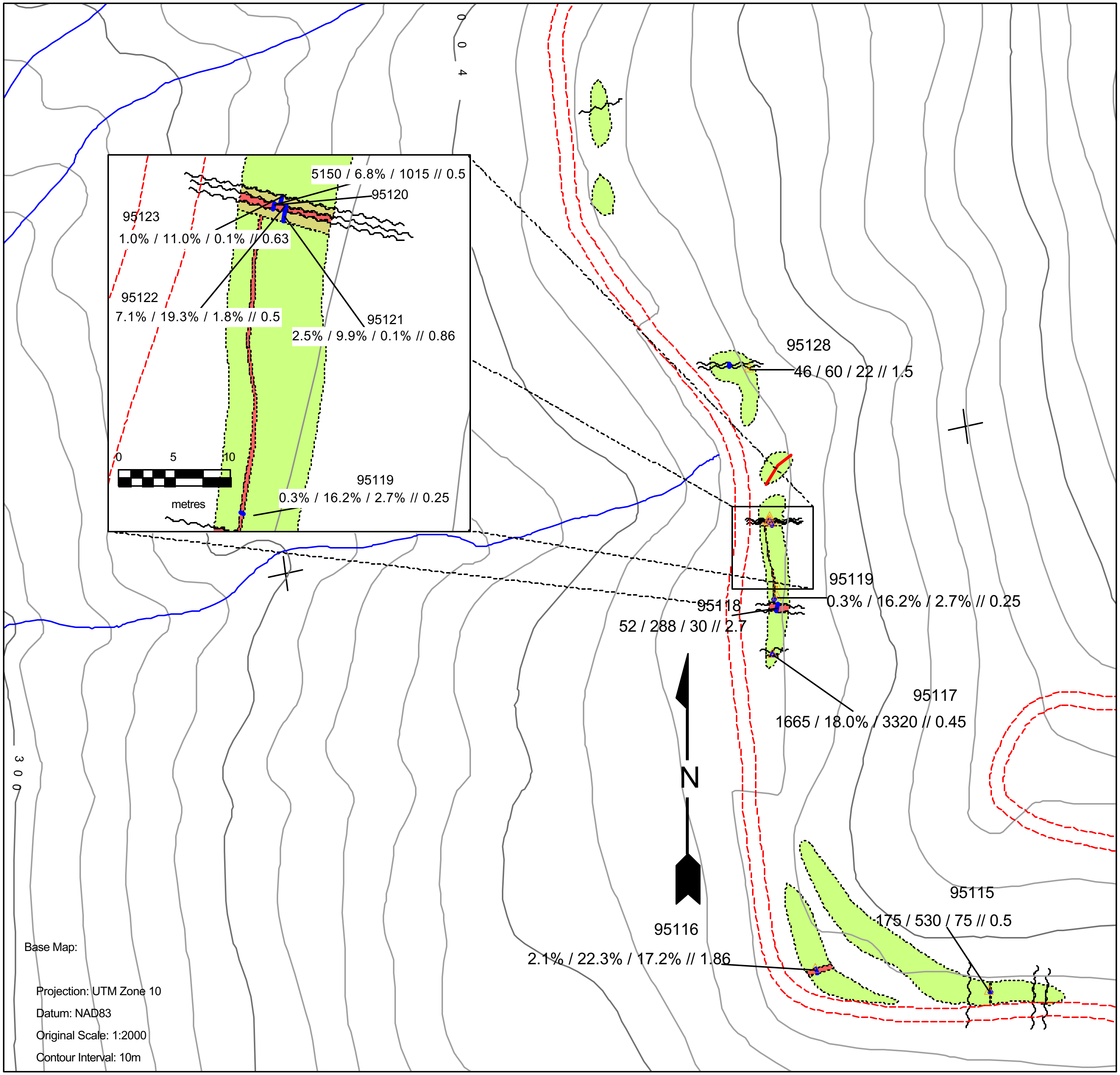
2 0 2 4 6

KILOMETERS

N



5,412,100 N
383,900 E
Lower Jasper Brach Road
Upper Old Jasper Brach Road
140268
140267
140266
140265
140264
140263
140262
140261
140260
140259
140258
140257
140256
140255
140254
140253
140252
140251
140272
U
D
68
65
N
Legend
Inferred
Outcrop
Unit 2
Massive sulphide
140261
chip sample trace
with sample ID
fault
foliation
contact attitude
0 1 2 3 4 5
metres
Base Map:
Projection: UTM Zone 10
Datum: NAD83
Original Scale: 1:200
Contour Interval: 5m
Inspiration Mining Corp
Jasper Property
Chip Sample Locations
Detailed JAS Geology & Sampling
April 2001
Fig: 8
GIS and Compilation by Cyberquest Geoscience Ltd
for Arnex Resources Inc.



Legend

Inferred	Outcrop	
		Unit 2
		Dis Sulphide in Unit 2
		Massive sulphide

95128

Cu / Zn / Pb // width

chip sample trace with sample ID

vein

fault

0 10 20 30 40 50

metres

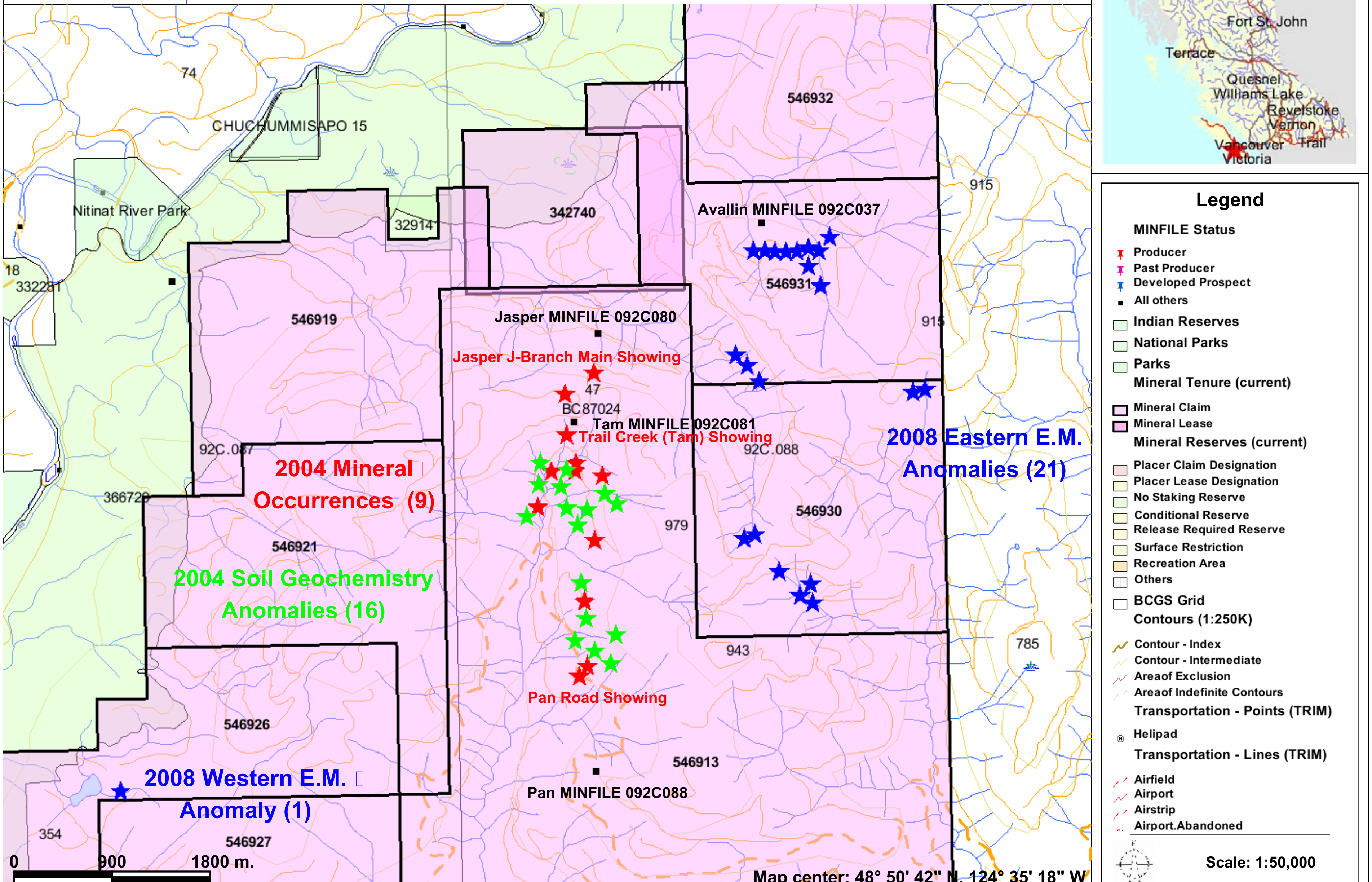
Inspiration Mining Corp
Jasper Property

Chip Sample Locations
Detailed PAN Geology & Sampling

April 2001 Fig: 9

GIS and Compilation by Cyberquest Geoscience Ltd for Arnex Resources Inc.

Figure 10 Mineral Showings, Soil Anomalies & EM Anomalies



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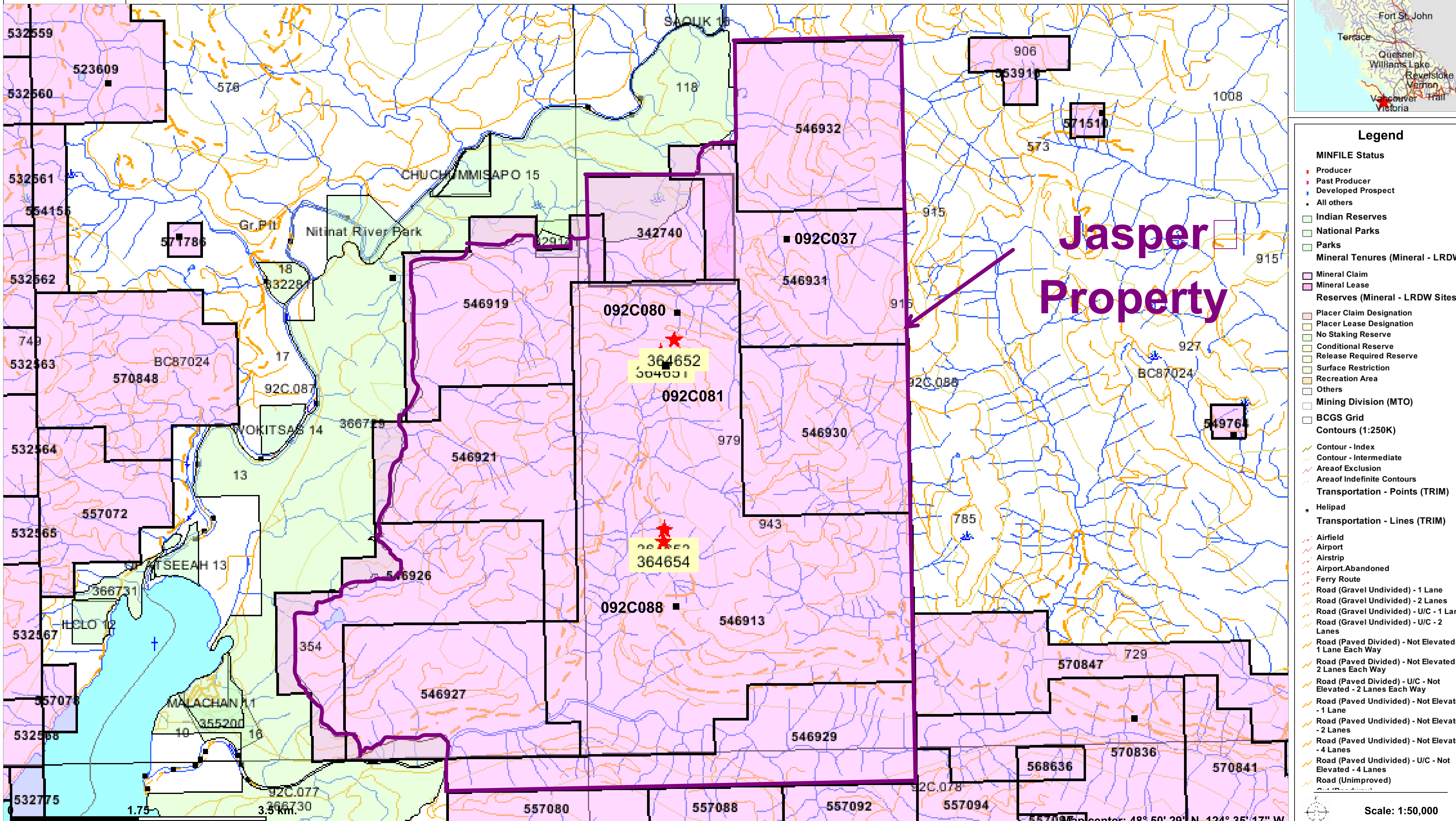
Appendix 1
Geochronology January 2008 Final Report

Jasper 2007 Geochronology Samples

Appendix 1



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

2007 Jasper Rock Sample Locations

Sample #	Date	Sampler	Property	Location	Details	UTM Zone	Easting	Northing	Elevation
364651	13-Nov-07	J. Houle	Jasper	select outcrop grab 250 m. southwest of Jasper 1 MINFILE 092C080	Rhyolite dome exposed over 30 m. x 5 m.; sheared @ 045/70; possibly bedded @ 215/25; contains trace sulphides	10N	383724	5411915	641
364652	13-Nov-07	J. Houle	Jasper	select outcrop grab from Jasper 1 MINFILE 092C080 J-Branch Main Showi	Semi-massive sulphides exposed 15 m. x 3 m.; sheared; possibly bedded @ 130/70; contains 65% combined Cpy, Sp	10N	383915	5412083	565
364653	13-Nov-07	J. Houle	Jasper	select outcrop grab from Pan MINFILE 092C088 Pan Road North Showing	Semi-massive sulphides exposed 3 m. x 0.25 m.; sheared @270/80; possibly bedded @ 200/80; 60% combined Cpy,	10N	383673	5409489	418
364654	13-Nov-07	J. Houle	Jasper	select outcrop grab from Pan MINFILE 092C088 Pan Road South Showing	Semi-massive sulphides exposed 3 m. x 0.75 m.; bedded @ 250/75; contains 75% combined Cpy, Sph, Py	10N	383656	5409325	428

Appendix 1

Appendix 1

Geochronological and Lead Isotopic Investigations of the Jasper Sulphide Occurrence
James K. Mortensen, Ph.D., P.Eng.
January 18, 2008

A total of four samples from the Jasper property on Vancouver Island were submitted to the Pacific Centre for Isotopic and Geochemical Research (PCIGR) facility at the University of British Columbia for dating and isotopic studies. This included one sample of very fine grained, veined, bleached and altered volcanic rock that was interpreted based on field evidence to possibly be a rhyolite dome; this sample was intended for isotopic dating by U-Pb zircon methods. In addition, three samples of medium to coarse grained sulphides from several occurrences on the property were submitted. The altered volcanic sample was processed using standard heavy mineral separation techniques, but unfortunately only two very fine zircons were recovered. Textures visible on a sawn face of this sample indicate that the protolith was a breccia, and that the entire unit has been intensely silicified. The scarcity of zircons suggests that the protolith was likely more intermediate in composition; this is supported by the complete absence of quartz as a phenocryst phase. Ghosts of feldspar (plagioclase?) phenocrysts were evident on the sawn face, but no obvious mafic phenocrysts were observed. This would be consistent with a dacitic rather than rhyolitic composition, which would also explain the near absence of zircons. The original composition of the rock could be established using immobile trace element geochemistry.

Four sulphide samples were analyzed for their Pb isotopic compositions, including galenas from all three samples as well as pyrite from sample 364652. The analytical results are shown in Table 1 below, and are plotted on a standard $^{206}Pb/^{204}Pb$ vs. $^{207}Pb/^{204}Pb$ diagram in Figure 1. Also shown on Figure 1 are Pb isotopic analyses from all of the presently known volcanogenic massive sulphide (VMS) deposits and occurrences in the Sicker Group in the Buttle Lake and Cowichan uplifts, including Mt Sicker, Lara, Coronation Extension, and various lenses from the Myra Falls deposit. Also shown are Pb analyses from epigenetic vein occurrences in the Debbie area and at the Emma occurrence, both in the Cameron River area of the Cowichan Lake uplift. A single analysis is also shown from the Sharon sulphide occurrence west of Chemainus; this occurrence has previously been interpreted to be sygenetic in origin but the Pb analysis indicates that the mineralization at the Sharon is much younger, and is likely shear zone hosted and epigenetic.

The three galena analyses from the Jasper occurrence give slightly more radiogenic isotopic compositions (higher $^{206}Pb/^{204}Pb$ ratios), which generally indicates a younger age of formation. The Jasper sulphide Pbs are considerably less radiogenic than any of the other epigenetic sulphide occurrences that we have analyzed thus far, however. On the basis of the Pb data, it is possible to conclude that the Jasper sulphides do not represent syngenetic sulphides of Sicker age. A younger syngenetic origin (perhaps Early or Middle Jurassic age) cannot be ruled out on the basis of the Pb data. The Jasper Pb analyses are considerably less radiogenic than Pb analyses from epigenetic vein occurrences hosted within Sicker Group rocks in the Cowichan uplift. The age of formation of these other vein occurrences is unknown at present; however, they are likely associated with either Early-Middle Jurassic Island Intrusions or Eocene Mt Washington intrusions. The medium to coarse grained nature of the Jasper sulphide occurrences would be very unusual for a VMS occurrence unless it had experienced very high grade metamorphism and recrystallization. Since there is little evidence that this has been the case, it is most reasonable to conclude that the Jasper sulphides represent some form of epigenetic mineralization of Mesozoic age.

Table 1. Lead isotopic compositions of sulphides from the Jasper occurrence, Vancouver Island.

Sample	Mineral	$^{206}Pb/^{204}Pb$	$^{207}Pb/^{204}Pb$	$^{208}Pb/^{204}Pb$	$^{207}Pb/^{206}Pb$	$^{208}Pb/^{206}Pb$
364652	py	18.5465 (0.05)	15.5057(0.08)	38.0547(0.13)	0.8367(0.08)	2.0513(0.04)
364653	gl	18.6078(0.05)	15.5929(0.08)	38.4045(0.13)	0.8386(0.08)	2.0634(0.04)
364654a	gl	18.6244(0. 05)	15.5852(0.08)	38.3581(0.13)	0.8375(0.08)	2.0590(0.04)
364654b	gl	18.6605(0.09)	15.5781(0.08)	38.3962(0.15)	0.8355(0.08)	2.0571(0.05)

Analyses by Janet Gabites, PCIGR, Department of Earth and Ocean Sciences, The University of British Columbia.
Results have been normalized using a fractionation factor of 0.12% based on multiple analyses of NBS981 standard lead, and the values in Thirlwall., 2000. Errors are reported at the 2 sigma level in percent.
Minerals analysed: gl = galena, py = pyrite

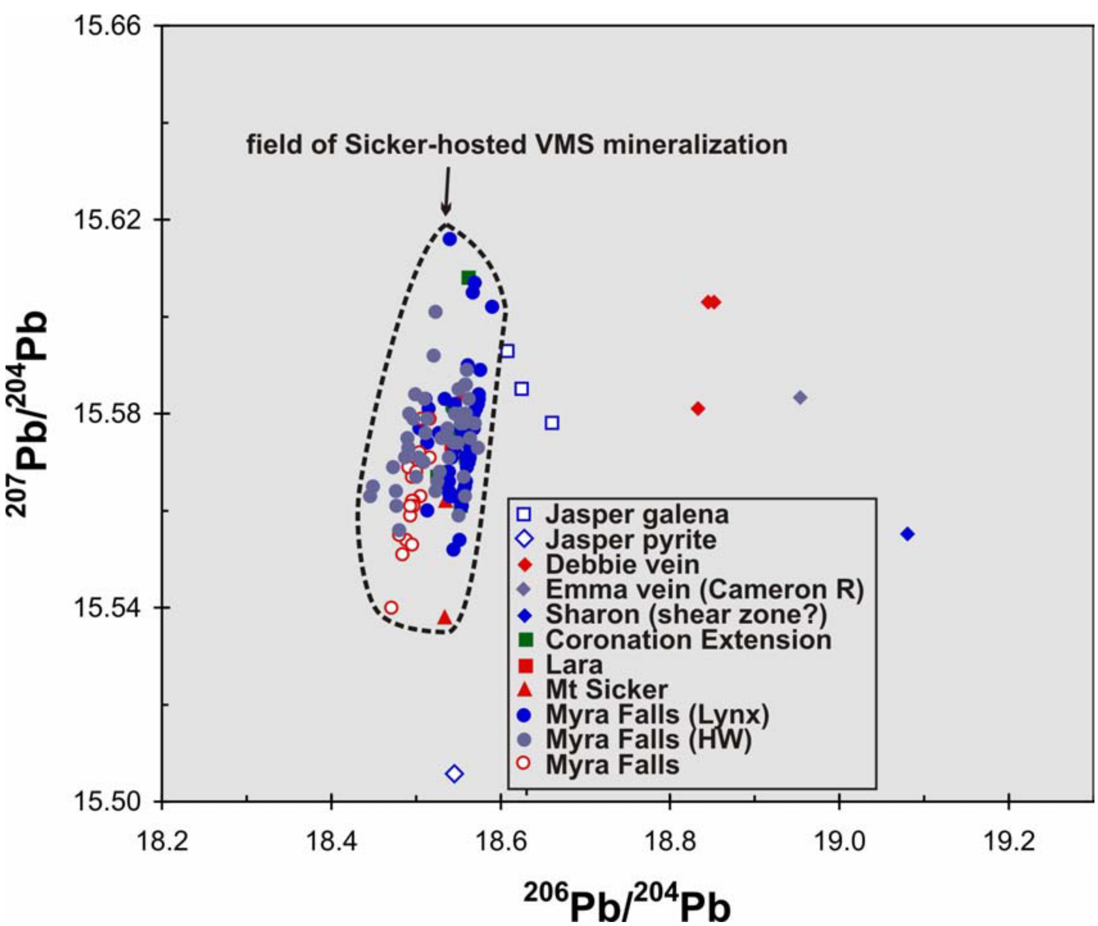


Figure 1. Plot of lead isotopic compositions of sulphides from the Jasper occurrence together with sulphide analyses from other VMS and epigenetic vein and shear zone hosted sulphides in the Cowichan and Buttle Lake uplifts.

Appendix 2
Aeroquest April 2008 Final Report

Report on a Helicopter-Borne AeroTEM System Electromagnetic & Magnetic Survey

Aeroquest Job # 08049

Nitinat Project

Vancouver Island, British Columbia
NTS 092C15

For

INSPIRATION MINING

by

AEROQUEST INTERNATIONAL
ADVANCED AIRBORNE GEOPHYSICS

7687 Bath Road,
Mississauga, ON, L4T 3T1
Tel: (905) 672-9129
Fax: (905) 672-7083
www.aeroquest.ca

Report date: April 2008

Report on a Helicopter-Borne AeroTEM System Electromagnetic & Magnetic Survey

Aeroquest Job # 08049

Nitinat Project

Vancouver Island, British Columbia
NTS 092C15

For

INSPIRATION MINING

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Report date: April 2008

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LIST OF MAPS (1:10,000)

- TMI – Coloured Total Magnetic Intensity reduced to pole with line contours and EM anomaly symbols.
- ZOFF0 – AeroTEM Z0 Off-time with line contours and EM anomaly symbols.
- TDR – Tilt Derivative of TMI with line contours and EM anomaly symbols.

1. INTRODUCTION

This report describes a helicopter-borne geophysical survey carried out on behalf of Inspiration Mining Corporation their Nitinat project, Vancouver Island, British Columbia.

The principal geophysical sensor is Aeroquest's exclusive AeroTEM II (Echo) time domain helicopter electromagnetic system which is employed in conjunction with a high-sensitivity caesium vapour magnetometer. Ancillary equipment includes a real-time differential GPS navigation system, radar altimeter, video recorder, and a base station magnetometer. Full-waveform streaming EM data is recorded at 36,000 samples per second. The streaming data comprise the transmitted waveform, and the X component and Z component of the resultant field at the receivers. A secondary acquisition system (RMS) records the ancillary data.

The total survey coverage is 817.9 line-km, of which 789.1 line-km fell within the defined project area (Appendix 1). The survey was flown at 100 metre line spacing and in a North-South survey flight direction. The survey flying described in this report took place from February 13th – 19th, 2008. This report describes the survey logistics, the data processing, presentation, and provides the specifications of the survey.

2. SURVEY AREA

The Project area (Figure 1) is located in on Vancouver Island, British Columbia 55 km southwest of Port Alberni and 36 km west of Lake Cowichan. The project is made up of a single block, the Nitinat block (72 km²) over rugged terrain with elevations ranging from 10 m to almost 1000 m above sea level. The Nitinat River flows NE-SW to the west of the block. Project access was good with many minor roads and trails running through the area.

There are 10 mining claims in the area, details of which can be seen in Appendix 2.

The base of survey operations was Port Alberni.

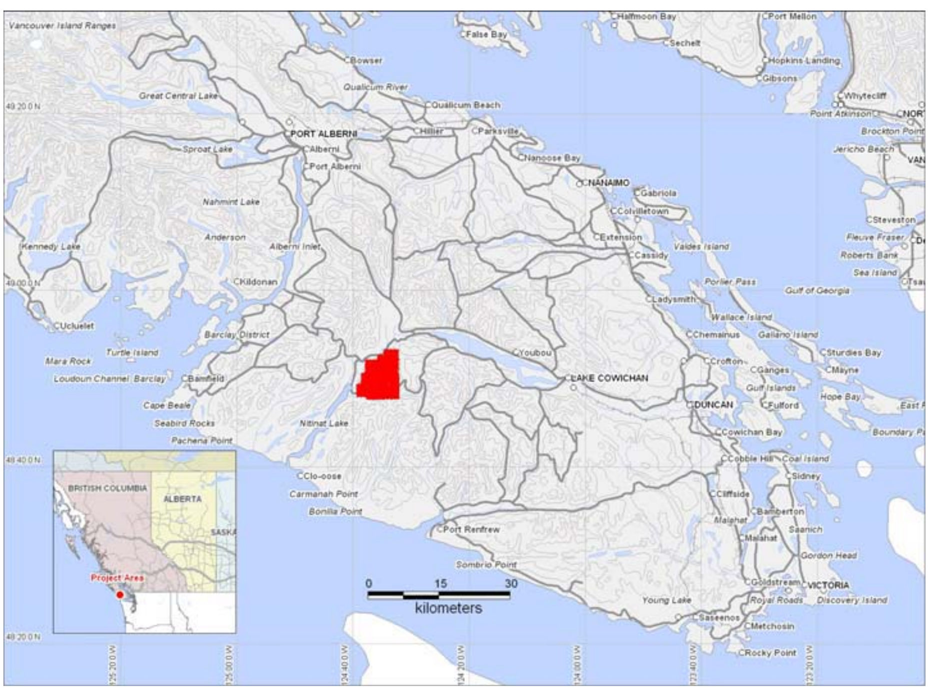


Figure 1. Project Area

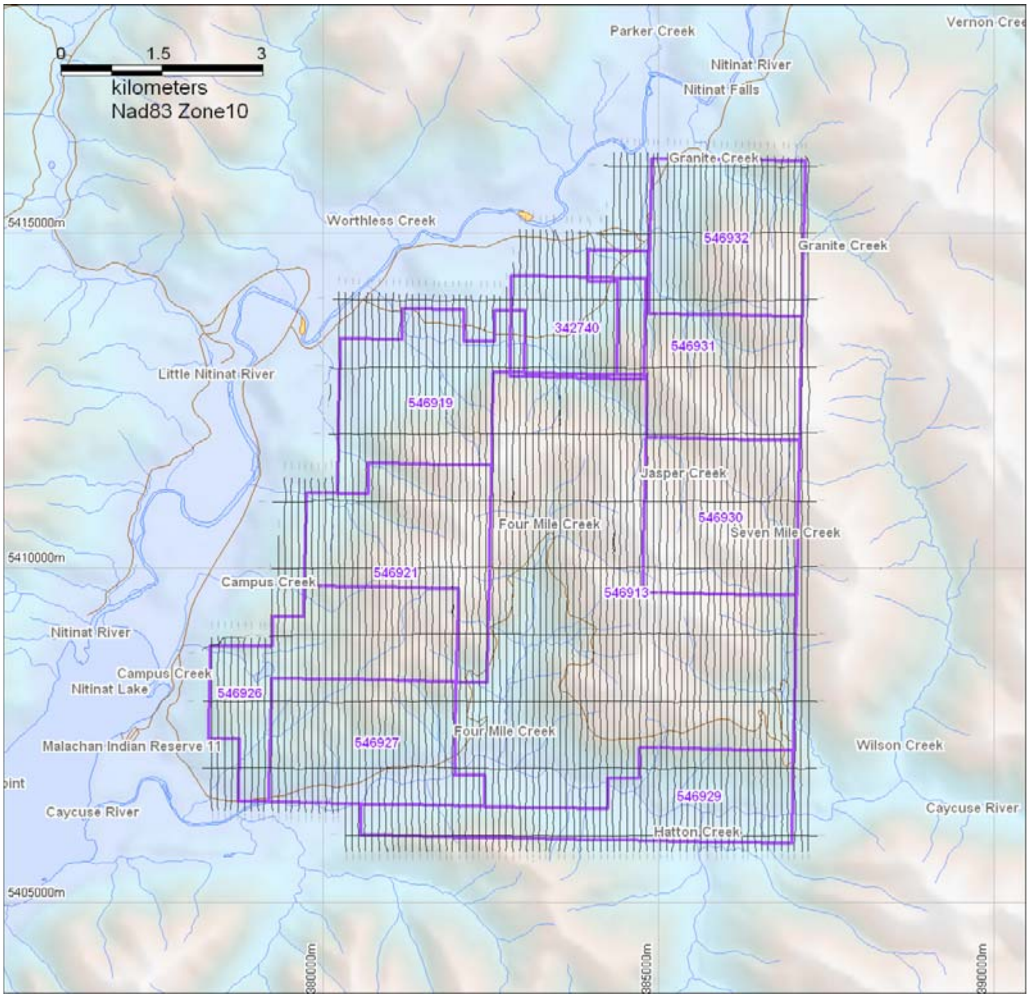


Figure 2. Project flight path and mining claims and shaded topography

3. SURVEY SPECIFICATIONS AND PROCEDURES

The survey specifications are summarised in the following table:

Project Name	Line Spacing (metres)	Line Direction	Survey Coverage (line-km)	Date flown
Nitinat	100	N-S (0º)	817.9	Feb. 13 – 19, 2008

Table 1. Survey specifications summary

The survey coverage was calculated by adding up the along-line distance of the survey lines and control (tie) lines as presented in the final Geosoft database. The survey was flown with a line spacing of 100 metres. The control (tie) lines were flown perpendicular to the survey lines with a spacing of 1000 metres.

The nominal EM bird terrain clearance is 30 metres, but can be higher in more rugged terrain due to safety considerations and the capabilities of the aircraft. The magnetometer sensor is mounted in a smaller bird connected to the tow rope 17 metres above the EM bird and 21 metres below the helicopter (Figure 4). A second magnetometer is installed on the tail of the

EM bird. Nominal survey speed over relatively flat terrain is 75 km/hr and is generally lower in rougher terrain. Scan rates for ancillary data acquisition is 0.1 second for the magnetometer and altimeter, and 0.2 second for the GPS determined position. The EM data is acquired as a data stream at a sampling rate of 36,000 samples per second and is processed to generate final data at 10 samples per second. The 10 samples per second translate to a geophysical reading about every 1.5 to 2.5 metres along the flight path.

3.1. Navigation

Navigation is carried out using a GPS receiver, an AGNAV2 system for navigation control, and an RMS DGR-33 data acquisition system which records the GPS coordinates. The x-y-z position of the aircraft, as reported by the GPS, is recorded at 0.2 second intervals. The system has a published accuracy of under 3 metres. A recent static ground test of the Mid-Tech WAAS GPS yielded a standard deviation in x and y of under 0.6 metres and for z under 1.5 metres over a two-hour period.

3.2. System Drift

Unlike frequency domain electromagnetic systems, the AeroTEM II system has negligible drift due to thermal expansion. The operator is responsible for ensuring the instrument is properly warmed up prior to departure and that the instruments are operated properly throughout the flight. The operator maintains a detailed flight log during the survey noting the times of the flight and any unusual geophysical or topographic features. Each flight included at least two high elevation ‘background’ checks. During the high elevation checks, an internal 5 second wide calibration pulse in all EM channels was generated in order to ensure that the gain of the system remained constant and within specifications.

3.3. Field QA/QC Procedures

On return of the pilot and operator to the base, usually after each flight, the AeroDAS streaming EM data and the RMS data are carried on removable hard drives and FlashCards, respectively and transferred to the data processing work station. At the end of each day, the base station magnetometer data on FlashCard is retrieved from the base station unit.

Data verification and quality control includes a comparison of the acquired GPS data with the flight plan; verification and conversion of the RMS data to an ASCII format XYZ data file; verification of the base station magnetometer data and conversion to ASCII format XYZ data; and loading, processing and conversion of the steaming EM data from the removable hard drive. All data is then merged to an ASCII XYZ format file which is then imported to an Oasis database for further QA/QC and for the production of preliminary EM, magnetic contour, and flight path maps.

Survey lines which show excessive deviation from the intended flight path are re-flown. Any line or portion of a line on which the data quality did not meet the contract specification was noted and reflown.

4. AIRCRAFT AND EQUIPMENT

4.1. Aircraft

A Eurocopter (Aerospatiale) AS350B2 "A-Star" helicopter - registration C-FPTG was used as survey platform. The helicopter was owned and operated by Hi-Wood Helicopters, Calgary, Alberta. Installation of the geophysical and ancillary equipment was carried out by Aeroquest Limited personnel in conjunction with a licensed aircraft. The survey aircraft was flown at a nominal terrain clearance of 220 ft (65 metres).

Figure 3. Helicopter registration number C-FPTG

4.2. MAGNETOMETER

The AeroTEM II airborne survey system employs the Geometrics G-823A caesium vapour magnetometer sensor installed in a two metre towed bird airfoil attached to the main tow line, 21 metres below the helicopter (Figure 4). The sensitivity of the magnetometer is 0.001 nanoTesla at a 0.1 second sampling rate. The nominal ground clearance of the magnetometer bird is 51 metres (170 ft.). The magnetic data is recorded at 10 Hz by the RMS DGR-33.

4.3. MAGNETOMETER II

In addition to the main magnetometer bird on the main tow line, the AeroTEM II system includes an additional G-828A magnetometer installed on the tail of the EM bird (Figure 4). The sensor is located 37 metres below the helicopter and has a superior nominal terrain clearance of 31 m. Data is recorded at 300 samples a second and down sampled to 10 Hz by the AeroDAS acquisition system.

Figure 4. AeroTEM II EM bird. Arrow indicates the location of the second cesium magnetometer sensor.

4.4. Electromagnetic System

The electromagnetic system is an Aeroquest AeroTEM II time domain towed-bird system (Figure 4, Figure 5). The current AeroTEM II transmitter dipole moment is 38.8 kNIA. The AeroTEM bird is towed 38 metres (125 ft) below the helicopter. More technical details of the system may be found in Appendix 4.

The wave-form is triangular with a symmetric transmitter on-time pulse of 1.10 ms and a base frequency of 150 Hz (Figure 5). The current alternates polarity every on-time pulse. During every Tx on-off cycle (300 per second), 120 contiguous channels of raw X and Z component (and a transmitter current monitor, itx) of the received waveform are measured. Each channel width is 27.78 microseconds starting at the beginning of the transmitter pulse. This 120 channel data is referred to as the raw streaming data. The AeroTEM system has two separate EM data recording streams, the conventional RMS DGR-33 and the AeroDAS system which records the full waveform (Figure 6).

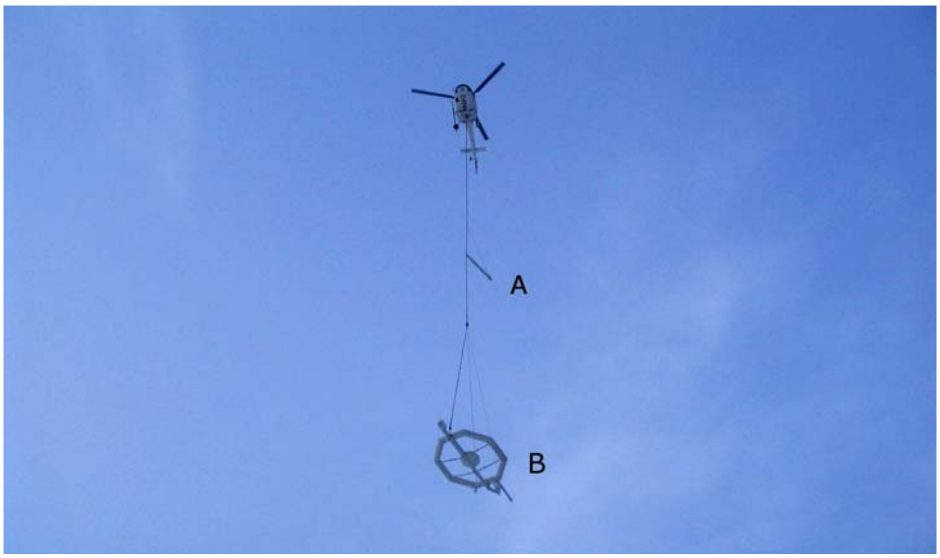


Figure 5. The magnetometer bird (A) and AeroTEM II EM bird (B)

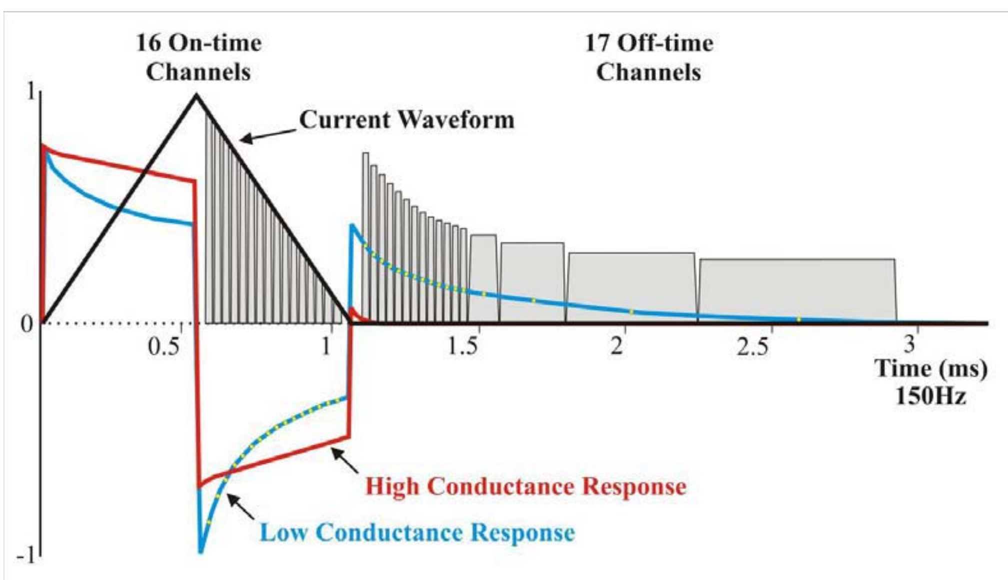


Figure 6. Schematic of Transmitter and Receiver waveforms

4.5. AERODAS ACQUISITION SYSTEM

The 120 channels of raw streaming data are recorded by the AeroDAS acquisition system (Figure 7) onto a removable hard drive. The streaming data are processed post-survey to yield 33 stacked and binned on-time and off-time channels at a 10 Hz sample rate. The timing of the final processed EM channels is described in the following table:

Channel	Sample Range	Time Width (us)	Time Center (us)	Time After TxOn (us)
On1	3 - 3	27.778	69.444	59.964
On2	4 - 4	27.778	97.222	87.742
On3	5 - 5	27.778	125.000	115.520
On4	6 - 6	27.778	152.778	143.297
On5	7 - 7	27.778	180.556	171.075
On6	8 - 8	27.778	208.333	198.853
On7	9 - 9	27.778	236.111	226.631
On8	10 - 10	27.778	263.889	254.409
On9	11 - 11	27.778	291.667	282.186
On10	12 - 12	27.778	319.444	309.964
On11	13 - 13	27.778	347.222	337.742
On12	14 - 14	27.778	375.000	365.520
On13	15 - 15	27.778	402.778	393.297
On14	16 - 16	27.778	430.556	421.075
On15	17 - 17	27.778	458.333	448.853
On16	18 - 18	27.778	486.111	476.631

Channel	Sample Range	Time Width (us)	Time Center (us)	Time After TxOff (us)
Off0	44 - 44	27.778	1208.333	70.423
Off1	45 - 45	27.778	1236.111	98.201
Off2	46 - 46	27.778	1263.889	125.979
Off3	47 - 47	27.778	1291.667	153.756
Off4	48 - 48	27.778	1319.444	181.534
Off5	49 - 49	27.778	1347.222	209.312
Off6	50 - 51	55.556	1388.889	250.979
Off7	52 - 53	55.556	1444.444	306.534
Off8	54 - 55	55.556	1500.000	362.090
Off9	56 - 57	55.556	1555.556	417.645
Off10	58 - 60	83.333	1625.000	487.090
Off11	61 - 63	83.333	1708.333	570.423
Off12	64 - 67	111.111	1805.556	667.645
Off13	68 - 72	138.889	1930.556	792.645
Off14	73 - 80	222.222	2111.111	973.201
Off15	81 - 93	361.111	2402.778	1264.868
Off16	94 - 113	555.556	2861.111	1723.201

4.6. RMS DGR-33 ACQUISITION SYSTEM

In addition to the magnetics, altimeter and position data, six channels of real time processed off-time EM decay in the Z direction and one in the X direction are recorded by the RMS DGR-33 acquisition system at 10 samples per second and plotted real-time on the analogue chart recorder. These channels are derived by a binning, stacking and filtering procedure on the raw streaming data. The primary use of the RMS EM data (Z1 to Z6, X1) is to provide for real-time QA/QC on board the aircraft.

The channel window timing of the RMS DGR-33 6 channel system is described in the table below.

RMS Channel	Start time (µs)	End time (µs)	Width (µs)	Streaming Channels
Z1, X1	1269.8	1322.8	52.9	48-50
Z2	1322.8	1455.0	132.2	50-54
Z3	1428.6	1587.3	158.7	54-59
Z4	1587.3	1746.0	158.7	60-65
Z5	1746.0	2063.5	317.5	66-77
Z6	2063.5	2698.4	634.9	78-101

Figure 7. AeroTEM II Instrument Rack., including AeroDAS and RMS DGR-33 systems, AeroTEM power supply, data acquisition computer and AG-NAV2 navigation system.

4.7. MAGNETOMETER BASE STATION

The base magnetometer was a Geometrics G-859 cesium vapour magnetometer system with integrated GPS. Data logging and UTC time synchronisation was carried out within the magnetometer, with the GPS providing the timing signal. The data logging was configured to measure at 1.0 second intervals. Digital recording resolution was 0.001 nT. The sensor was placed on a tripod in an area of low magnetic gradient and free of cultural noise sources. A continuously updated display of the base station values was available for viewing and regularly monitored to ensure acceptable data quality and diurnal variation.

4.8. RADAR ALTIMETER

A Terra TRA 3500/TRI-30 radar altimeter is used to record terrain clearance. The antenna was mounted on the outside of the helicopter beneath the cockpit. Therefore, the recorded data reflect the height of the helicopter above the ground. The Terra altimeter has an altitude accuracy of +/- 1.5 metres.

4.9. Video Tracking and Recording System

A high resolution digital colour 8 mm video camera is used to record the helicopter ground flight path along the survey lines. The video is digitally annotated with GPS position and time and can be used to verify ground positioning information and cultural causes of anomalous geophysical responses.

Figure 8. Digital video camera typical mounting location.

4.10. GPS Navigation System

The navigation system consists of an Ag-Nav Incorporated AG-NAV2 GPS navigation system comprising a PC-based acquisition system, navigation software, a deviation indicator in front of the aircraft pilot to direct the flight, a full screen display with controls in front of the operator, a Mid-Tech RX400p WAAS-enabled GPS receiver mounted on the instrument rack and an antenna mounted on the magnetometer bird. WAAS (Wide Area Augmentation System) consists of approximately 25 ground reference stations positioned across the United States that monitor

GPS satellite data. Two master stations located on the east and west coasts collect data from the reference stations and create a GPS correction message. This correction accounts for GPS satellite orbit and clock drift plus signal delays caused by the atmosphere and ionosphere. The corrected differential message is then broadcast through one of two geostationary satellites, or satellites with a fixed position over the equator. The corrected position has a published accuracy of less than 3 metres.

Survey co-ordinates are set up prior to the survey and the information is fed into the airborne navigation system. The co-ordinate system employed in the survey design was WGS84 [World] using the UTM zone 10N projection. The real-time differentially corrected GPS positional data was recorded by the RMS DGR-33 in geodetic coordinates (latitude and longitude using WGS84) at 0.2 s intervals.

4.11. Digital Acquisition System

The AeroTEM received waveform sampled during on and off-time at 120 channels per decay, 300 times per second, was logged by the proprietary AeroDAS data acquisition system. The channel sampling commences at the start of the Tx cycle and the width of each channel is 26.04 microseconds. The streaming data was recorded on a removable hard-drive and was later backed-up onto DVD-ROM from the field-processing computer.

The RMS Instruments DGR33A data acquisition system was used to collect and record the analogue data stream, i.e. the positional and secondary geophysical data, including processed 6 channel EM, magnetics, radar altimeter, GPS position, and time. The data was recorded on 128 Mb capacity FlashCard. The RMS output was also directed to a thermal chart recorder.

5. PERSONNEL

The following Aeroquest personnel were involved in the project:

- Manager of Operations: Bert Simon
- Manager of Data Processing: Gord Smith
- Field Data Processor: Jonathan Yantho
- Field Operator: Rafal Starmach
- Data Interpretation and Reporting: Matt Pozza, Marion Bishop

The survey pilot, Ted Slavin, was employed directly by the helicopter operator – Hi-Wood Hellicopters.

6. DELIVERABLES

6.1. HARDCOPY DELIVERABLES

The report includes a set of six (6) 1:10,000 maps. The survey area is covered by two map plates and three geophysical data products are delivered as listed below:

- TMI – Coloured Total Magnetic Intensity reduced to pole with line contours and EM anomaly symbols.
- ZOFF0 – AeroTEM Z0 Off-time with line contours and EM anomaly symbols.
- TDR – Tilt Derivative of TMI with line contours and EM anomaly symbols.

The coordinate/projection system for the maps is NAD83 – UTM Zone 10N. For reference, the latitude and longitude in WGS84 are also noted on the maps.

All the maps show flight path trace, skeletal topography, and conductor picks represented by an anomaly symbol classified according to calculated off-time conductance. The anomaly symbol is accompanied by postings denoting the calculated off-time conductance, a thick or thin classification and an anomaly identifier label. The anomaly symbol legend and survey specifications are displayed on the left margin of the maps.

6.2. DIGITAL DELIVERABLES

6.2.1. Final Database of Survey Data (.GDB, .XYZ)

The geophysical profile data is archived digitally in a Geosoft GDB binary format database. A description of the contents of the individual channels in the database can be found in Appendix 2. A copy of this digital data is archived at the Aeroquest head office in Mississauga.

6.2.2. Geosoft Grid files (.GRD)

Levelled Grid products used to generate the geophysical map images. Cell size for all grid files is 25 metres.

- Reduced to pole Total Magnetic Intensity (08049_MagU_RTP.grd)
- Total Magnetic Intensity (08049_MagU_TMI.grd)
- Tilt Derivative of the TMI (08049_MagU_TDR.grd)
- AeroTEM Z Offtime Channel 0 (08049_zoff0f.grd)

6.2.3. Digital Versions of Final Maps (.MAP, .PDF)

Map files in Geosoft .map and Adobe PDF format.

6.2.4. Google Earth Files (.kmz)

Flight navigation, EM anomaly and geophysical grid files in Google earth kmz format. Double click to view flight lines in Google Earth.

6.2.5. Free Viewing Software (.EXE)

- Geosoft Oasis Montaj Viewing Software
- Adobe Acrobat Reader
- Google Earth Viewer

6.2.6. Digital Copy of this Document (.PDF)

Adobe PDF format of this document.

7. DATA PROCESSING AND PRESENTATION

All in-field and post-field data processing was carried out using Aeroquest proprietary data processing software and Geosoft Oasis Montaj software. Maps were generated using 36-inch wide Hewlett Packard ink-jet plotters.

7.1. BASE MAP

The geophysical maps accompanying this report are based on positioning in the NAD83 datum. The survey geodetic GPS positions have been projected using the Universal Transverse Mercator projection in Zone 10 North. A summary of the map datum and projection specifications is given following:

- Ellipse: GRS 1980
- Ellipse major axis: 6378137m eccentricity: 0.081819191
- Datum: North American 1983 - Canada Mean
- Datum Shifts (x,y,z) : 0, 0, 0 metres
- Map Projection: Universal Transverse Mercator Zone 10 (123ºW)
- Central Scale Factor: 0.9996
- False Easting, Northing: 500,000m, 0m

For reference, the latitude and longitude in WGS84 are also noted on the maps.

The background vector topography derived from Natural Resources Canada 1:50000 National Topographic Data Base data and the background shading was derived from NASA Shuttle Radar Topography Mission (SRTM) 90 metre resolution DEM data.

7.2. FLIGHT PATH & TERRAIN CLEARANCE

The position of the survey helicopter was directed by use of the Global Positioning System (GPS). Positions were updated five times per second (5 Hz) and expressed as WGS84 latitude and longitude calculated from the raw pseudo range derived from the C/A code signal. The instantaneous GPS flight path, after conversion to UTM co-ordinates, is drawn using linear interpolation between the x/y positions. The terrain clearance was maintained with reference to the radar altimeter. The raw Digital Terrain Model (DTM) was derived by taking the GPS survey elevation and subtracting the radar altimeter terrain clearance values. The calculated topography elevation values are relative and are not tied in to surveyed geodetic heights.

Each flight included at least two high elevation 'background' checks. These high elevation checks are to ensure that the gain of the system remained constant and within specifications.

7.3. ELECTROMAGNETIC DATA

The raw streaming data, sampled at a rate of 36,000 Hz (120 channels, 300 times per second) was reprocessed using a proprietary software algorithm developed and owned by Aeroquest Limited. Processing involves the compensation of the X and Z component data for the primary field waveform. Coefficients for this compensation for the system transient are determined and applied to the stream data. The stream data are then pre-filtered, stacked, binned to the 33 on and off-time channels and checked for the effectiveness of the compensation and stacking processes. The stacked data is then filtered, levelled and split up into the individual line segments. Further base level adjustments may be carried out at this stage. The filtering of the stacked data is designed to remove or minimize high frequency noise that can not be sourced from the geology.

The final field processing step was to merge the processed EM data with the other data sets into a Geosoft GDB file. The EM fiducial is used to synchronize the two datasets. The processed channels are merged into 'array format; channels in the final Geosoft database as Zon, Zoff, Xon, and Xoff.

Apparent bedrock EM anomalies were interpreted with the aid of an auto-pick from positive peaks and troughs in the off-time Z channel responses correlated with X channel responses. The auto-picked anomalies were reviewed and edited by a geophysicist on a line by line basis to discriminate between thin and thick conductor types. Anomaly picks locations were migrated and removed as required. This process ensures the optimal representation of the conductor centres on the maps.

At each conductor pick, estimates of the off-time conductance have been generated based on a horizontal plate source model for those data points along the line where the response amplitude is sufficient to yield an acceptable estimate. Some of the EM anomaly picks do not display a Tau value; this is due to the inability to properly define the decay of the conductor usually because of low signal amplitudes. Each conductor pick was then classified according to a set of seven ranges of calculated off-time conductance values. For high conductance sources, the on-time conductance values may be used, since it provides a more accurate measure of high-conductance sources. Each symbol is also given an identification letter label, unique to each flight line. Conductor picks that did not yield an acceptable estimate of off-time conductance due to a low amplitude response were classified as a low conductance source. Please refer to the anomaly symbol legend located in the margin of the maps.

7.4. MAGNETIC DATA

Prior to any levelling the magnetic data was subjected to a lag correction of -0.1 seconds and a spike removal filter. The filtered aeromagnetic data were then corrected for diurnal variations using the magnetic base station and the intersections of the tie lines. No corrections for the regional reference field (IGRF) were applied. The corrected profile data were interpolated on to a grid using bi-directional gridding with a grid cell size of 25 metres. The leveled Total Magnetic Intensity (TMI) grid was then reduced to the magnetic pole (RTP). The RTP grid is presented as a colour shaded grid with superimposed line contours.

7.4.1. Tilt Derivative

In order to map shallow basement response the tilt derivative (TDR) was calculated from the RTP grid. This derivative product enhances smaller wavelength magnetic features which define shallow basement structures at the expense of deeper-seated sources. The tit derivative also has the added advantage of gain controlling the dynamic range of the data, allowing subtle magnetic trends to be identified. The tilt derivative is presented at a colour-shaded map.

8. GENERAL COMMENTS

The survey was successful in mapping the magnetic and conductive properties of the geology throughout the survey area. Below is a brief interpretation of the results. For a detailed interpretation please contact Aeroquest Limited.

8.1. MAGNETIC RESPONSE

The magnetic data provide a high resolution map of the distribution of the magnetic mineral content of the survey area. This data can be used to interpret the location of geological contacts and other structural features such as faults and zones of magnetic alteration. The sources for anomalous magnetic responses are generally thought to be predominantly magnetite because of the relative abundance and strength of response (high magnetic susceptibility) of magnetite over other magnetic minerals such as pyrrhotite.

8.2. EM ANOMALIES

The EM anomalies on the maps are classified by conductance (as described earlier in the report) and also by the thickness of the source. A thin, vertically orientated source produces a double peak anomaly in the z-component response and a positive to negative crossover in the x-component response (Figure 8). For a vertically orientated thick source (say, greater than 10 metres), the response is a single peak in the z-component response and a negative to positive crossover in the x-component response (Figure 9). Because of these differing responses, the AeroTEM system provides discrimination of thin and thick sources and this distinction is indicated on the EM anomaly symbols (N = thin and K = thick). Where multiple, closely spaced conductive sources occur, or where the source has a shallow dip, it can be difficult to uniquely determine the type (thick vs. thin) of the source (Figure 10). In these cases both possible source types may be indicated by picking both thick and thin response styles. For shallow dipping conductors the ‘thin’ pick will be located over the edge of the source, whereas the ‘thick’ pick will fall over the downdip ‘heart’ of the anomaly.

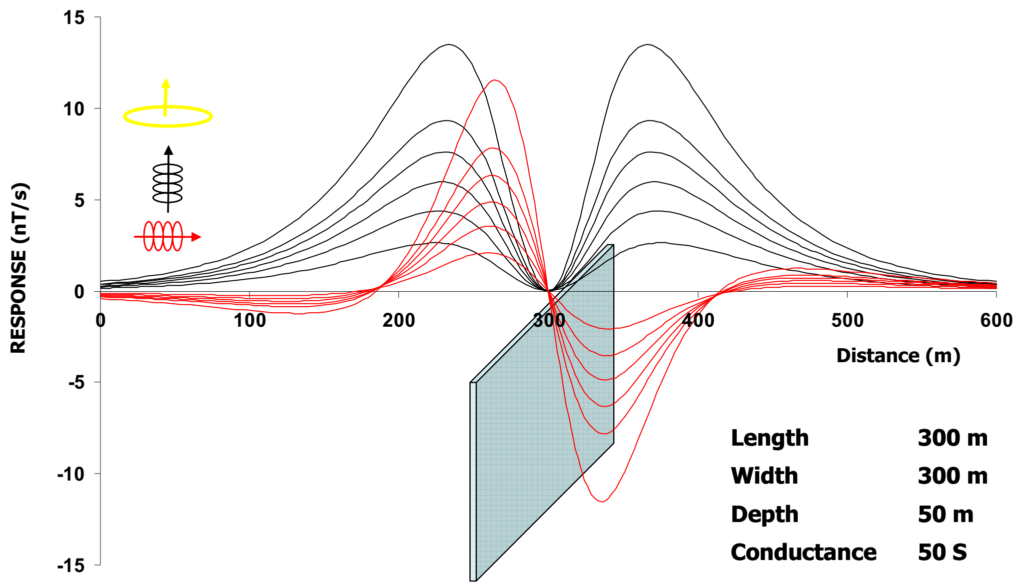


Figure 9. AeroTEM response to a 'thin' vertical conductor.

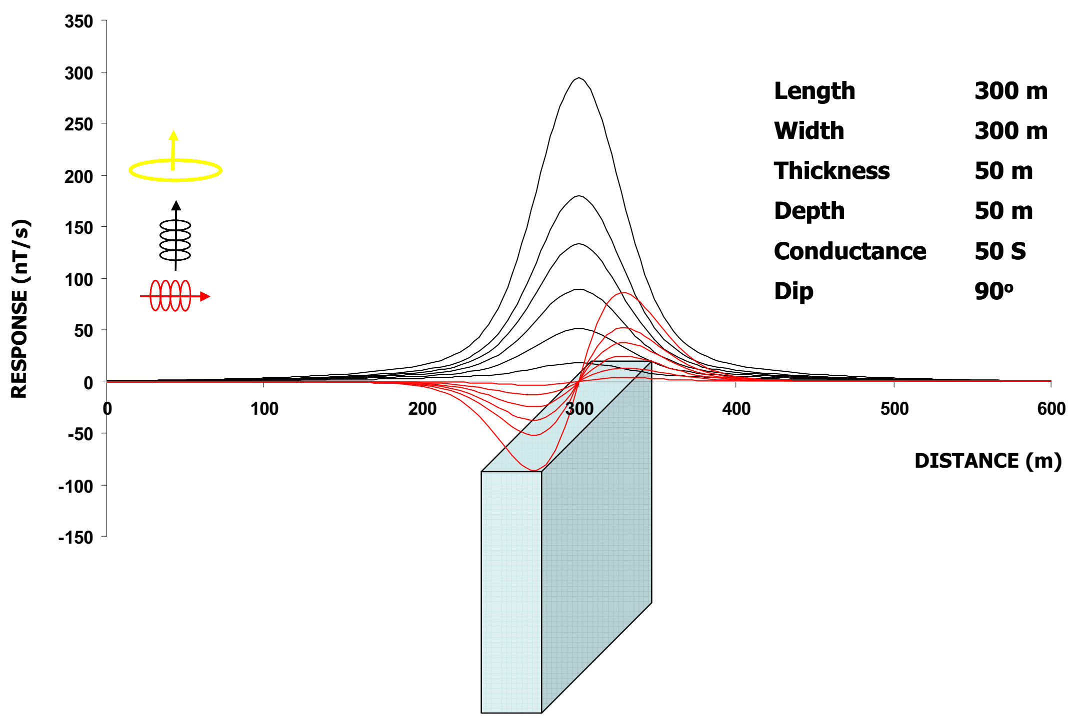


Figure 10. AeroTEM response for a 'thick' vertical conductor.

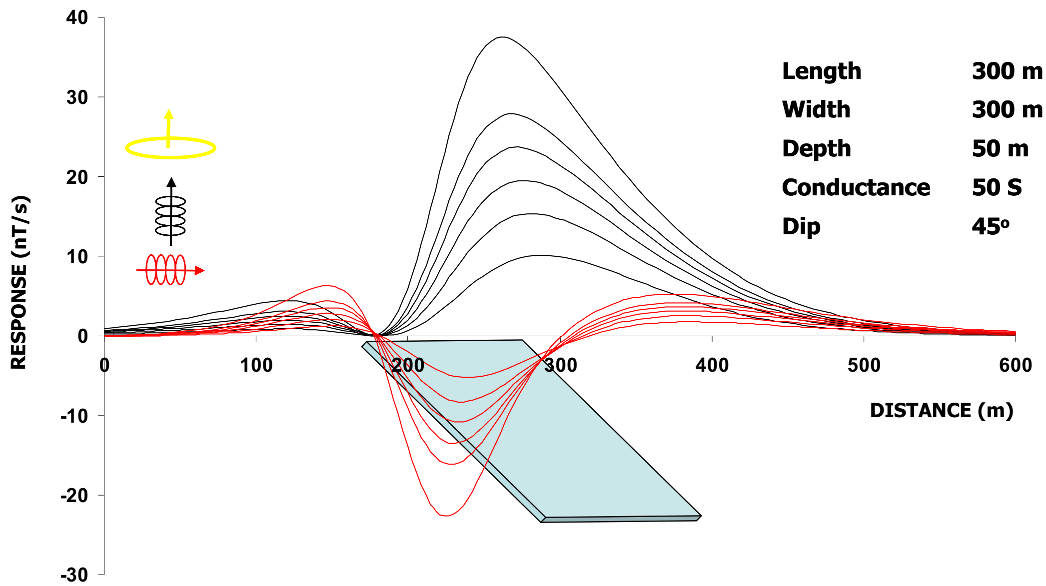


Figure 11. AeroTEM response over a 'thin' dipping conductor.

All cases should be considered when analyzing the interpreted picks and prioritizing for follow-up. Specific anomalous responses which remain as high priority should be subjected to numerical modeling prior to drill testing to determine the dip, depth and probable geometry of the source.

Respectfully submitted,

Matt Pozza, M.Sc., P.Geo.
Geophysicist
Aeroquest Limited
April, 2008

Reviewed By:

Doug Garrie
Aeroquest Limited
April 2008

APPENDIX 1: SURVEY BOUNDARIES

The following table presents the Nitinat block boundaries. All geophysical data presented in this report have been windowed to these outlines. X and Y positions are in metres: NAD83 UTM Zone 10N.

X	Y
384272.4	5416120.3
387271.4	5416042.4
387271.4	5405853.7
380419.4	5405853.7
380429.7	5406424.3
378292.6	5406476.1
378292.6	5408880.4
379292.2	5408854.6
379354.3	5411253.8
380154.1	5411233.1
380226.5	5414032.1
382825.6	5413964.8
382851.5	5414964.5
384249.6	5414946.4

APPENDIX 2: MINING CLAIMS

From Government of British Columbia Mineral Titles Online (April 2008)

Tenure Number	Claim Name	Owner	Good To Date	Mining Division	Area (Ha)
546913		INSPIRATION MINING CORPORATION	2010/oct/30		2062.945
546919		INSPIRATION MINING CORPORATION	2008/sep/22		531.365
546921		INSPIRATION MINING CORPORATION	2008/sep/22		531.572
546926		INSPIRATION MINING CORPORATION	2008/sep/22		531.74
546927		INSPIRATION MINING CORPORATION	2008/sep/22		531.862
546929		INSPIRATION MINING CORPORATION	2008/sep/22		531.964
546930		INSPIRATION MINING CORPORATION	2008/sep/22		531.541
546931		INSPIRATION MINING CORPORATION	2008/sep/22		531.326
546932		INSPIRATION MINING CORPORATION	2008/sep/22		531.155
342740	JAS 3	INSPIRATION MINING CORPORATION	2010/oct/30	VICTORIA	300

APPENDIX 3: DESCRIPTION OF DATABASE FIELDS

The GDB file is a Geosoft binary database. In the database, the Survey lines and Tie Lines are prefixed with an "L" for "Line" and "T" for "Tie".

COLUMN	UNITS	DESCRIPTOR
Line		Line number
Flight		Flight #
emfid		AERODAS Fiducial
utctime	hh:mm:ss.ss	UTC time
x	m	UTM Easting (NAD83, Zone 10N)
y	m	UTM Northing (NAD83, Zone 10N)
Galtf	m	GPS elevation of magnetometer bird
ralt	m	Helicopter radar altimeter (height above terrain)
bheight	m	Terrain clearance of EM bird
dtm	m	Digital Terrain Model
Basemagf	nT	Base station total magnetic intensity
magUF	nT	Final levelled total magnetic intensity from lower magnetometer sensor (installed on the tail of the EM bird).
magLf	nT	Final levelled total magnetic intensity from upper magnetometer sensor (mag bird on tow cable)
Zon	nT/s	EM On-Time Z component Channels 1-16
Zoff	nT/s	EM Off-Time Z component Channels 0-16
Xon	nT/s	EM On-Time X component Channels 1-16
Xoff	nT/s	EM Off-Time X component Channels 0-16
pwrline		powerline monitor data channel
Grade		Classification from 1-7 based on conductance of conductor pick
Anom_labels		Letter label of conductor pick (Unique per flight line)
Off_Con	S	Off-time conductance at conductor pick
Off_Tau	μs	Off-time decay constant at conductor pick
Anom_ID		EM Anomaly response style (K= thicK, N = thiN)
Off_allcon	S	Off-time conductance
Off_AllTau	μs	Off-time decay constant
TranOff	s	Transmitter turn off time
TranOn	s	Transmitter turn on time
TranPeak	A	Transmitter peak current
TranSwitch	s	Transmitter peak current time
Off_pick		Anomaly pick channel

APPENDIX 4: AEROTEM ANOMALY LISTING

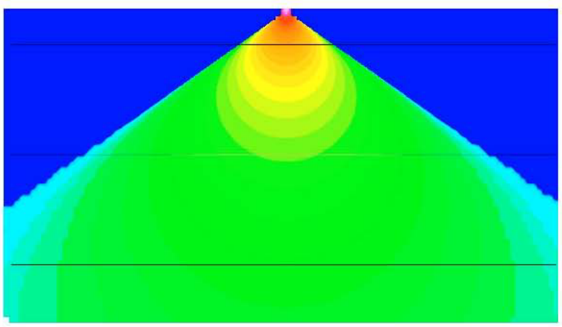
line	Label	ID	Off-time conductance (S)	Decay constant (us)	Flight (#)	UTC Time	Bird height	UTM easting (m)	UTM northing (m)
10120	A	K			10	23.19283	56.6	379435.4	5408439
10690	A	K			2	0.523889	57.36	385235.4	5410515
10690	B	K	0.31	55.37	2	0.54575	57.1	385227.7	5412202
10700	A	K			2	0.349333	77.37	385326.7	5412105
10700	B	K			2	0.370944	48.45	385333.9	5410552
10720	A	K			2	0.228917	48.02	385428.1	5411953
10720	B	N			2	0.247694	53.26	385427.1	5413153
10730	A	N			2	0.0215	45.08	385534.4	5413150
10730	B	K			2	0.061722	69.91	385540.1	5410199
10740	A	N			2	23.92744	50.19	385622.7	5413137
10750	A	N	0.25	50.07	2	23.68694	43.32	385725.7	5413132
10750	B	K	0.25	50.07	2	23.73617	55.31	385724.1	5409973
10760	A	K			2	23.53389	53.12	385834.1	5409902
10760	B	K			2	23.53717	45.19	385824	5410075
10760	C	N			2	23.58881	60.9	385823.2	5413131
10770	A	N	0.19	44.04	2	23.34017	47.03	385930.4	5413159
10770	B	K	0.19	44.04	2	23.34344	52.7	385921.2	5412995
10780	A	K	0.64	80.11	2	23.22061	58.84	386027.1	5412805
10780	B	N	0.64	80.11	2	23.22467	53.2	386025.2	5413127
10790	A	K			2	22.98425	48.1	386126.2	5413251
10860	A	K	0.33	56.98	1	20.65494	51.08	386830.3	5411798
10870	A	K	0.1	31.35	1	20.50783	38.12	386943.4	5411817

APPENDIX 5: AEROTEM DESIGN CONSIDERATIONS

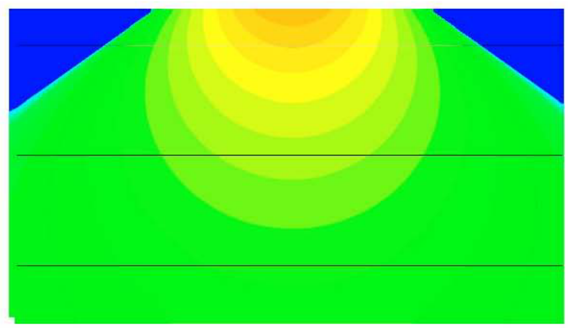
Helicopter-borne EM systems offer an advantage that cannot be matched from a fixed-wing platform. The ability to fly at slower speed and collect data with high spatial resolution, and with great accuracy, means the helicopter EM systems provide more detail than any other EM configuration, airborne or ground-based. Spatial resolution is especially important in areas of complex geology and in the search for discrete conductors. With the advent of helicopter-borne high-moment time domain EM systems the fixed wing platforms are losing their *only* advantage – depth penetration.

Advantage 1 – Spatial Resolution

The AeroTEM system is specifically designed to have a small footprint. This is accomplished through the use of concentric transmitter-receiver coils and a relatively small diameter transmitter coil (5 m). The result is a highly focused exploration footprint, which allows for more accurate "mapping" of discrete conductors. Consider the transmitter primary field images shown in Figure 1, for AeroTEM versus a fixed-wing transmitter.



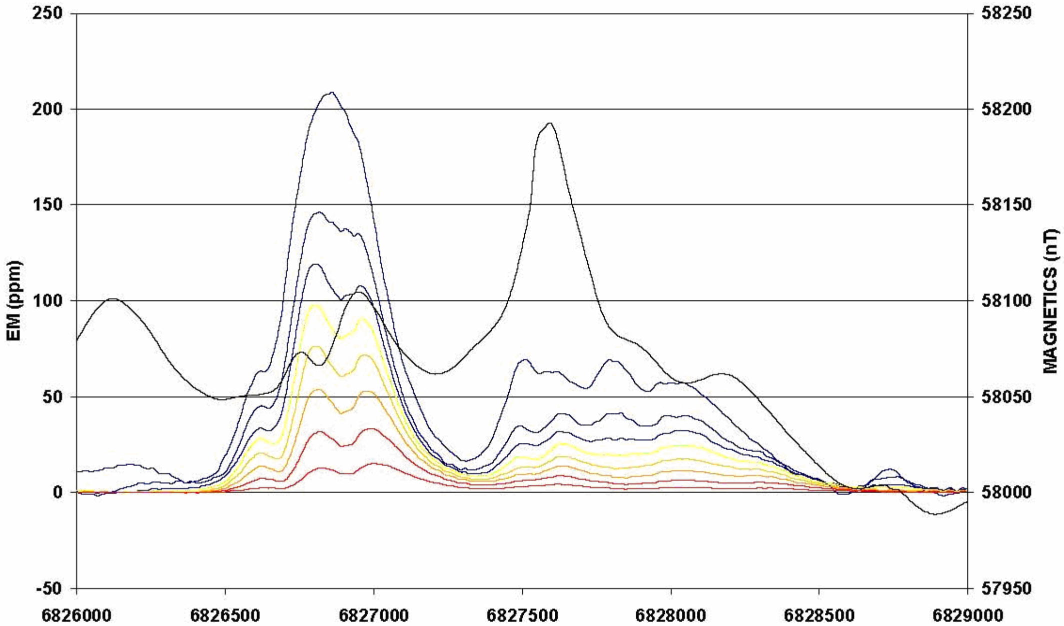
The footprint of AeroTEM at the earth's surface is roughly 50m on either side of transmitter



The footprint of a fixed-wing system is roughly 150 m on either side of the transmitter

Figure 1. A comparison of the footprint between AeroTEM and a fixed-wing system, highlights the greater resolution that is achievable with a transmitter located closer to the earth's surface. The AeroTEM footprint is one third that of a fixed-wing system and is symmetric, while the fixed-wing system has even lower spatial resolution along the flight line because of the separated transmitter and receiver configuration.

At first glance one may want to believe that a transmitter footprint that is distributed more evenly over a larger area is of benefit in mineral exploration. In fact, the opposite is true; by energizing a larger surface area, the ability to energize and detect discrete conductors is reduced. Consider, for example, a comparison between AeroTEM and a fixed-wing system over the Mesamax Deposit (1,450,000 tonnes of 2.1% Ni, 2.7% Cu, 5.2 g/t Pt/Pd). In a test survey over three flight lines spaced 100 m apart, AeroTEM detected the Deposit on all three flight lines. The fixed-wing system detected the Deposit only on two flight lines. In exploration programs that seek to expand the flight line spacing in an effort to reduce the cost of the airborne survey, discrete conductors such as the Mesamax Deposit can go undetected. The argument often put forward in favour of using fixed-wing systems is that because of their larger footprint, the flight line spacing can indeed be widened. Many fixed-wing surveys are flown at 200 m or 400 m. Much of the survey work performed by Aeroquest has been to survey in areas that were previously flown at these wider line spacings. One of the reasons for AeroTEM's impressive discovery record has been the strategy of flying closely spaced lines and finding all the discrete near-surface conductors. These higher resolution surveys are being flown within existing mining camps, areas that improve the chances of discovery.



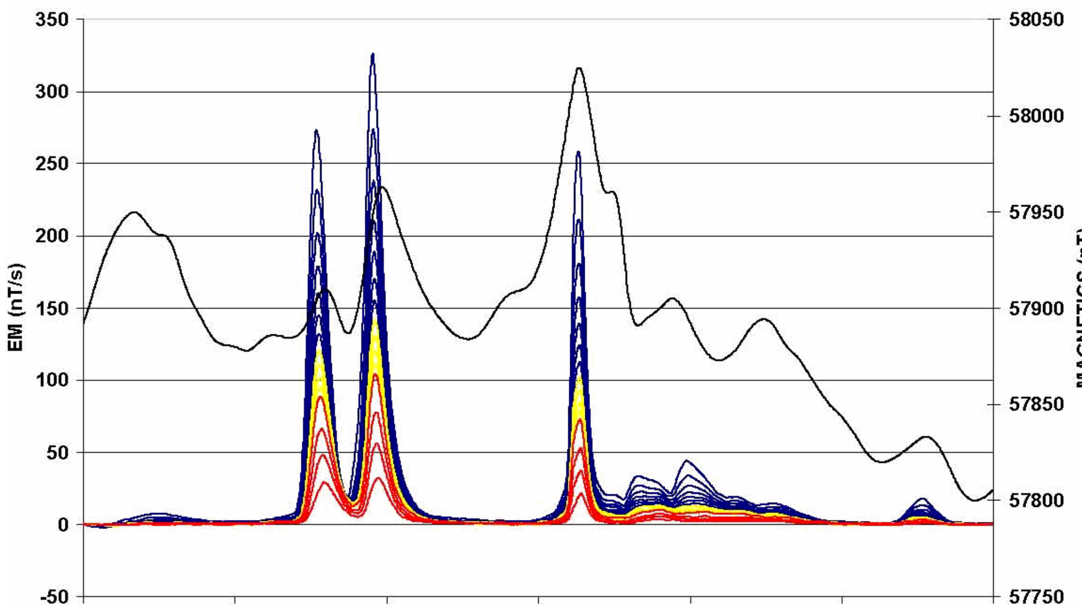


Figure 2. Fixed-wing (upper) and AeroTEM (lower) comparison over the eastern limit of the Mesamax Deposit, a Ni-Cu-PGE zone located in the Raglan nickel belt and owned by Canadian Royalties. Both systems detected the Deposit further to the west where it is closer to surface.

The small footprint of AeroTEM combined with the high signal to noise ratio (S/N) makes the system more suitable to surveying in areas where local infrastructure produces electromagnetic noise, such as power lines and railways. In 2002 Aeroquest flew four exploration properties in the Sudbury Basin that were under option by FNX Mining Company Inc. from Inco Limited. One such property, the Victoria Property, contained three major power line corridors.

The resulting AeroTEM survey identified all the known zones of Ni-Cu-PGE mineralization, and detected a response between two of the major power line corridors but in an area of favorable geology. Three boreholes were drilled to test the anomaly, and all three intersected sulphide. The third borehole encountered 1.3% Ni, 6.7% Cu, and 13.3 g/t TPMs over 42.3 ft. The mineralization was subsequently named the Powerline Deposit.

The success of AeroTEM in Sudbury highlights the advantage of having a system with a small footprint, but also one with a high S/N. This latter advantage is achieved through a combination of a high-moment (high signal) transmitter and a rigid geometry (low noise). Figure 3 shows the Powerline Deposit response and the response from the power line corridor at full scale. The width of power line response is less than 75 m.

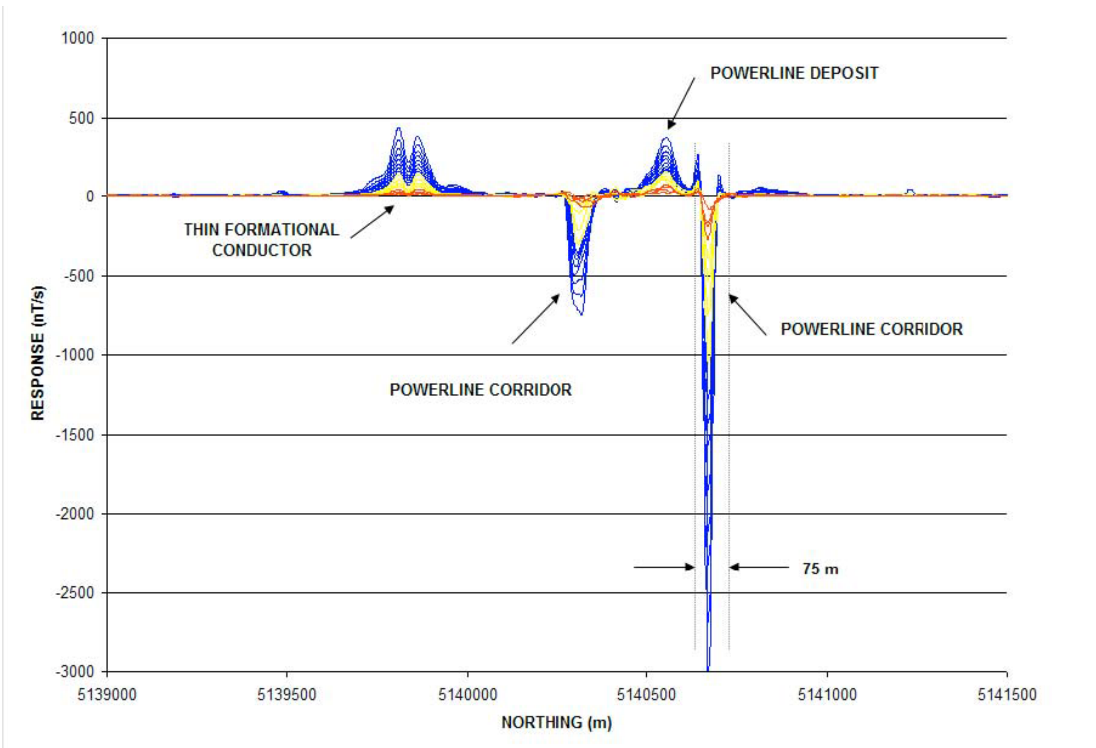


Figure 3. The Powerline Deposit is located between two major power line corridors, which make EM surveying problematic. Despite the strong response from the power line, the anomaly from the Deposit is clearly detected. Note the thin formational conductor located to the south. The only way to distinguish this response from that of two closely spaced conductors is by interpreting the X-axis coil response.

Advantage 2 – Conductance Discrimination

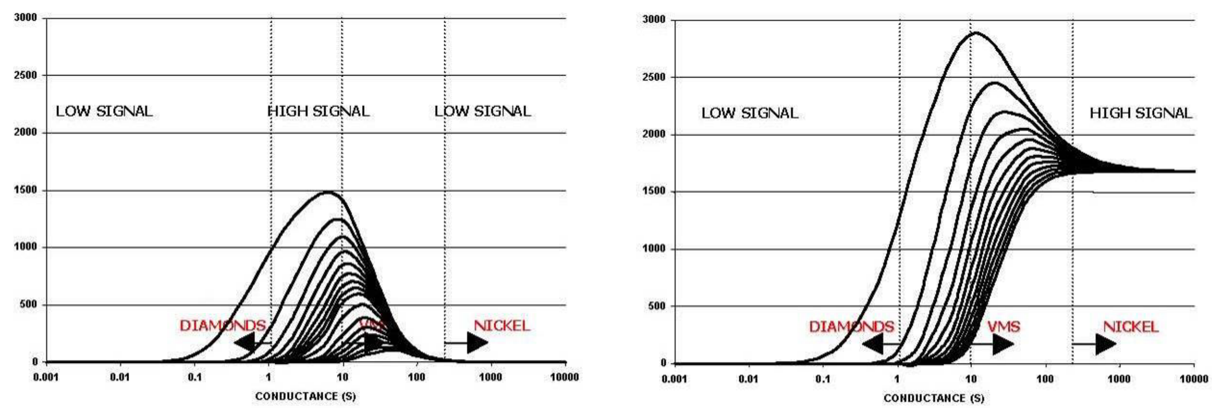
The AeroTEM system features full waveform recording and as such is able to measure the on-time response due to high conductance targets. Due to the processing method (primary field removal), there is attenuation of the response with increasing conductance, but the AeroTEM on-time measurement is still superior to systems that rely on lower base frequencies to detect high conductance targets, but do not measure in the on-time.

The peak response of a conductive target to an EM system is a function of the target conductance and the EM system base frequency. For time domain EM systems that measure only in the off-time, there is a drop in the peak response of a target as the base frequency is lowered for all conductance values below the peak system response. For example, the AeroTEM peak response occurs for a 10 S conductor in the early off-time and 100 S in the late off-time for a 150 Hz base frequency. Because base frequency and conductance form a linear relationship when considering the peak response of any EM system, a drop in base frequency of 50% will double the conductance at which an EM system shows its peak response. If the base frequency were lowered from 150 Hz to 30 Hz there would be a fivefold increase in conductance at which the peak response of an EM occurred.

However, in the search for highly conductive targets, such as pyrrhotite-related Ni-Cu-PGM deposits, a fivefold increase in conductance range is a high price to pay because the signal level to lower conductance targets is reduced by the same factor of five. For this reason, EM systems that operate with low base frequencies are not suitable for general exploration unless the target conductance is more than 100 S, or the target is covered by conductive overburden.

Despite the excellent progress that has been made in modeling software over the past two decades, there has been little work done on determining the optimum form of an EM system for mineral exploration. For example, the optimum configuration in terms of geometry, base frequency and so remain unknown. Many geophysicists would argue that there is no single ideal configuration, and that each system has its advantages and disadvantages. We disagree.

When it comes to detecting and discriminating high-conductance targets, it is necessary to measure the pure in-phase response of the target conductor. This measurement requires that the measured primary field from the transmitter be subtracted from the total measured response such that the secondary field from the target conductor can be determined. Because this secondary field is in-phase with the transmitter primary field, it must be made while the transmitter is turned on and the transmitter current is changing. The transmitted primary field is several orders of magnitude larger than the secondary field. AeroTEM uses a bucking coil to reduce the primary field at the receiver coils. The only practical way of removing the primary field is to maintain a rigid geometry between the transmitter, bucking and receiver coils. This is the main design consideration of the AeroTEM airframe and it is the only time domain airborne system to have this configuration.



The off-time AeroTEM response for the 16 channel configuration.

The on-time response assuming 100% removal of the measured primary field.

Figure 4. The off-time and on-time response nomogram of AeroTEM for a base frequency of 150 Hz. The on-time response is much stronger for higher conductance targets and this is why on-time measurements are more important than lower frequencies when considering high conductance targets in a resistive environment.

Advantage 3 – Multiple Receiver Coils

AeroTEM employs two receiver coil orientations. The Z-axis coil is oriented parallel to the transmitter coil and both are horizontal to the ground. This is known as a maximum coupled configuration and is optimal for detection. The X-axis coil is oriented at right angles to the transmitter coil and is oriented along the line-of-flight.

This is known as a minimum coupled configuration, and provides information on conductor orientation and thickness. These two coil configurations combined provide important information on the position, orientation, depth, and thickness of a conductor that cannot be matched by the traditional geometries of the HEM or fixed-wing systems. The responses are free from a system geometric effect and can be easily compared to model type curves in most cases. In other words, AeroTEM data is very easy to interpret. Consider, for example, the following modeled profile:

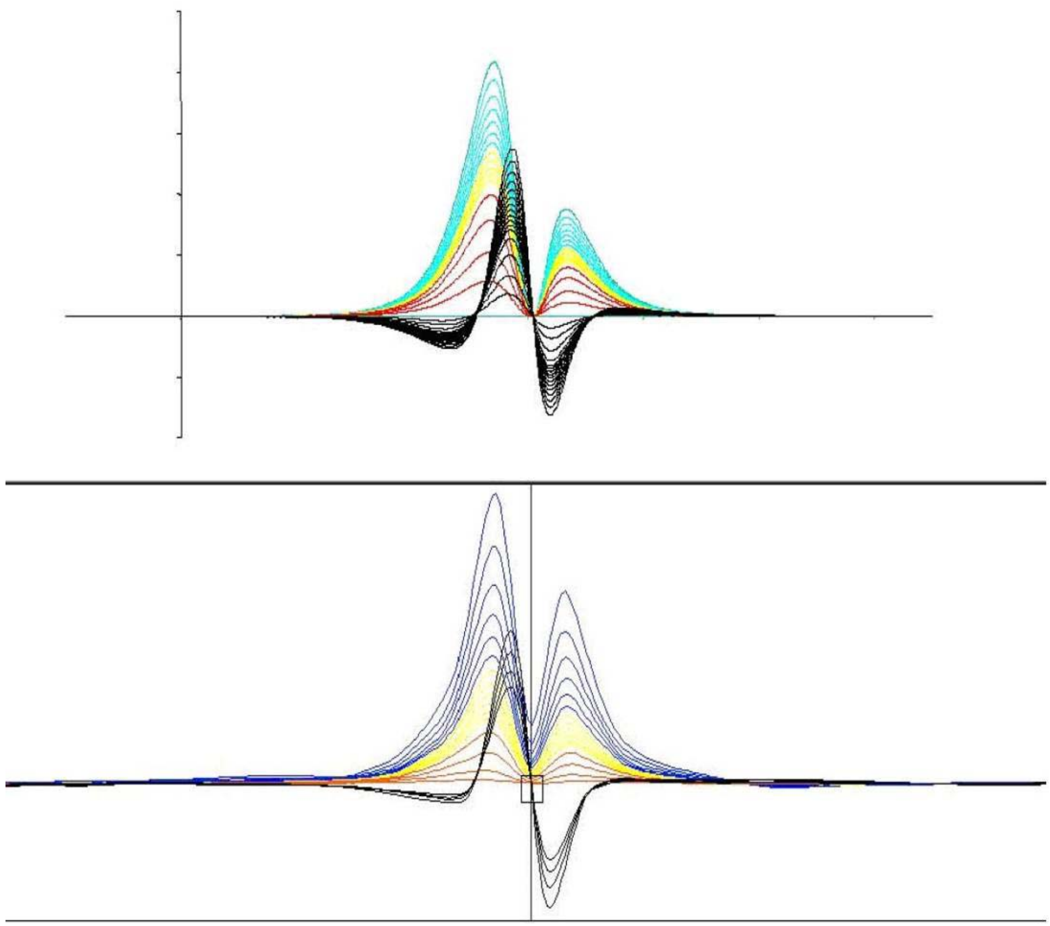


Figure 5. Measured (lower) and modeled (upper) AeroTEM responses are compared for a thin steeply dipping conductor. The response is characterized by two peaks in the Z-axis coil, and a cross-over in the X-axis coil that is centered between the two Z-axis peaks. The conductor dips toward the higher amplitude Z-axis peak. Using the X-axis cross-over is the only way of differentiating the Z-axis response from being two closely spaced conductors.

HEM versus AeroTEM

Traditional helicopter EM systems operate in the frequency domain and benefit from the fact that they use narrowband as opposed to wide-band transmitters. Thus all of the energy from the transmitter is concentrated in a few discrete frequencies. This allows the systems to achieve excellent depth penetration (up to 100 m) from a transmitter of modest power. The Aeroquest Impulse system is one implementation of this technology.

The AeroTEM system uses a wide-band transmitter and delivers more power over a wide frequency range. This frequency range is then captured into 16 time channels, the early channels containing the high frequency information and the late time channels containing the low frequency information down to the system base frequency. Because frequency domain HEM systems employ two coil configurations (coplanar and coaxial) there are only a maximum of three comparable frequencies per configuration, compared to 16 AeroTEM off-time and 12 AeroTEM on-time channels.

Figure 6 shows a comparison between the Dighem HEM system (900 Hz and 7200 Hz coplanar) and AeroTEM (Zaxis) from surveys flown in Raglan, in search of highly conductive Ni-Cu-PGM sulphide. In general, the AeroTEM peaks are sharper and better defined, in part due to the greater S/N ratio of the AeroTEM system over HEM, and also due to the modestly filtered AeroTEM data compared to HEM. The base levels are also better defined in the AeroTEM data. AeroTEM filtering is limited to spike removal and a 5-point smoothing filter. Clients are also given copies of the raw, unfiltered data.

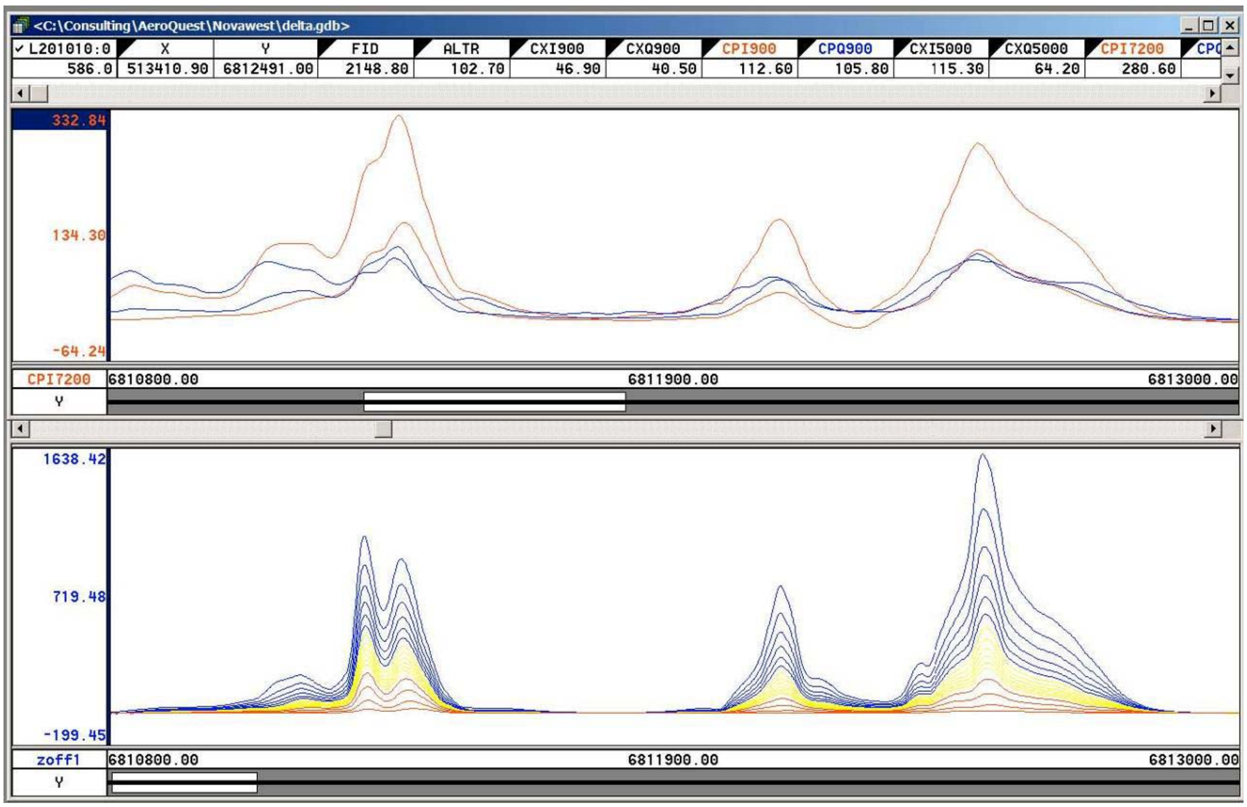


Figure 6. Comparison between Dighem HEM (upper) and AeroTEM (lower) surveys flown in the Raglan area. The AeroTEM responses appear to be more discrete, suggesting that the data is not as heavily filtered as the HEM data. The S/N advantage of AeroTEM over HEM is about 5:1.

Aeroquest Limited is grateful to the following companies for permission to publish some of the data from their respective surveys: Wolfden Resources, FNX Mining Company Inc, Canadian Royalties, Nova West Resources, Aurogin Resources, Spectrem Air. Permission does not imply an endorsement of the AeroTEM system by these companies.

APPENDIX 6: AEROTEM INSTRUMENTATION SPECIFICATION SHEET

AEROTEM II Helicopter Electromagnetic System

EM System Characteristics

- Transmitter: Triangular Pulse Shape Base Frequency 150 Hz
- Tx On Time - 1,150 (150 Hz) µs
- Tx Off Time - 2,183 (150 Hz) µs
- Loop Diameter - 5 m
- Peak Current - 250 A
- Peak Moment - 39,250 NIA
- Typical Z Axis Noise at Survey Speed = 10 nT/s peak to peak
- Sling Weight: 270 Kg
- Length of Tow Cable: 36 m
- Bird Survey Height: 30 m nominal

Receiver

- Two Axis Receiver Coils (x, z) positioned at centre of transmitter loop
- Selectable Time Delay to start of first channel 21.3 , 42.7, or 64.0 ms

Acquisition & Display

- AERODAS Digital recording at 120 samples per decay curve at a maximum of 300 curves per second (27.778µs channel width)
- Recording & Display Rate = 10 readings per second.
- On-board display - six channels Z-component and 1 X-component
- Final database display
  - seventeen Z-component off-time channels
  - seventeen X-component off-time channels
  - sixteen Z-component on-time channels
  - sixteen X-component on-time channels

System Considerations

Comparing a fixed-wing time domain transmitter with a typical moment of 500,000 NIA flying at an altitude of 120 m with a Helicopter TDEM at 30 m, notwithstanding the substantial moment loss in the airframe of the fixed wing, the same penetration by the lower flying helicopter system would only require a sixty-fourth of the moment. Clearly the AeroTEM system with nearly 40,000 NIA has more than sufficient moment. The airframe of the fixed wing presents a response to the towed bird, which requires dynamic compensation. This problem is non-existent for AeroTEM since transmitter and receiver positions are fixed. The AeroTEM system is completely portable, and can be assembled at the survey site within half a day.

Grid North
NAD83-Zone10

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Topo contours derived from NASA SRTM (Shuttle Radar Topography Mission) data
Inset data derived from Natural Resources Canada 'Atlas of Canada Base Maps'

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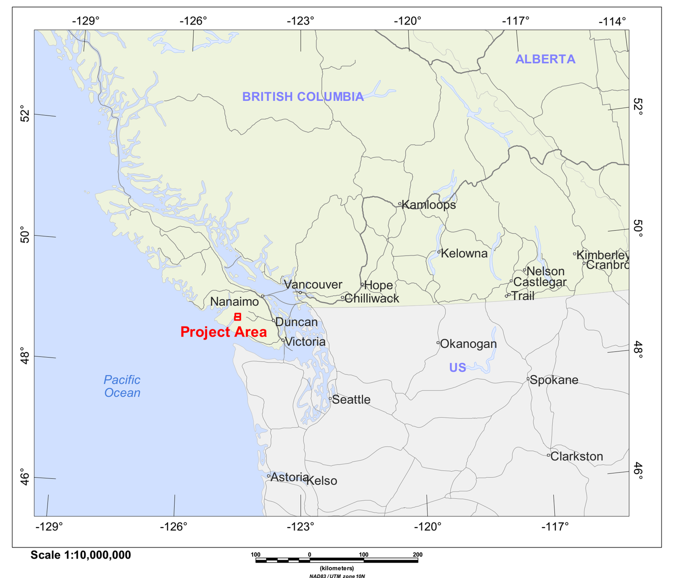

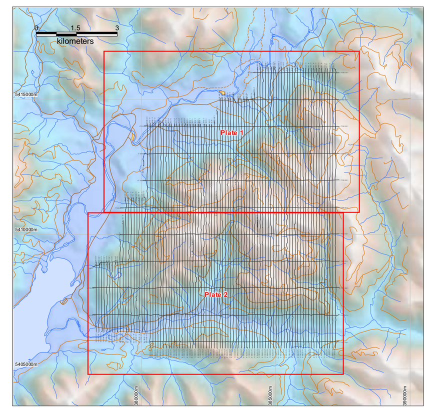

ZOFF Contour Interval

2.5nT/s

25nT/s

Off-Time Anomaly Symbols

>50S ....

35-50S ....

20-35S ....

10-20S ....

5-10S ....

1-5S ....

<1S ....

anomaly label A 125 decay constant (μs)

thicK/thiN source K 36 off-time conductance (S)

ZOFF nT/s: 97.5, 92.5, 90.0, 85.0, 82.5, 77.5, 75.0, 72.5, 67.5, 65.0, 60.0, 57.5, 55.0, 50.0, 47.5, 42.5, 40.0, 37.5, 32.5, 30.0, 25.0, 22.5, 20.0, 15.0, 12.5, 7.5, 5.0, 2.5

SURVEY SPECIFICATIONS:
- Survey flown: February 13-19, 2008
- Traverse line spacing: 100 metres
- Traverse line direction: N-S (0º Azimuth)
- Nominal EM bird height: 30 metres
- Aircraft: Aerospatiale A-Star 350B2 (C-FPTG)

INSTRUMENTATION:
- Data acquisition: ADAS & RMS DGR-33
- Magnetometer: Geometrics G-823A cesium vapour
  - Installation: Towed bird 17 m above EM bird
  - Sensitivity: .001 nanoTesla
- Electromagnetics: AeroTEM II System (ECHO)
  - Configuration: Towed bird

NAVIGATION:
- Navigation: Differential Global Positioning System (DGPS)
- Navigation equipment: AGNAV with MID-TECH RX400p receiver
- Radar Altimeter: Terra TRA3000/TRI-30

DATA PROCESSING
- Magnetics: diurnal, tieline and micro-leveling corrections

POSITIONING
- Datum: NAD83
  - Major Axis: 6378137.000
  - Eccentricity: 0.081819191

MAP PROJECTION
- Projection: Universal Transverse Mercator
- Central Meridian: 123°W (Zone 10)
- Central Scale Factor: 0.9996
- False Easting/Northing: 500,000m/0m

scale 1:10,000

200 0 200 400 600
(meters)
NAD83 / UTM zone 10N

Inspiration Mining Corporation
Vancouver Island, British Columbia

AEROTEM Z0 OFF-TIME
Ninitat, Plate 1

NTS 092C15

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www.aeroquest.ca

April 2008

ZOFF Plate 1

Grid North
NAD83-Zone10

The topographic data base was derived from 1:50000 NRC (Natural Resources Canada) NTDB data
Topo contours derived from NASA SRTM (Shuttle Radar Topography Mission) data
Inset data derived from Natural Resources Canada 'Atlas of Canada Base Maps'

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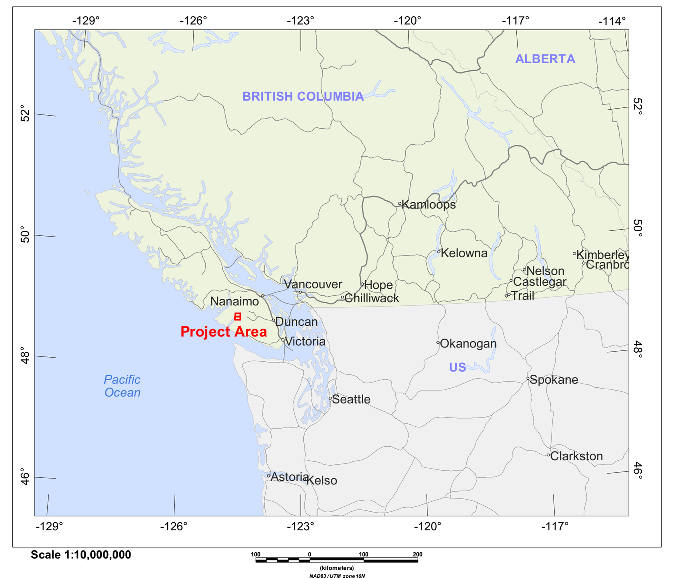

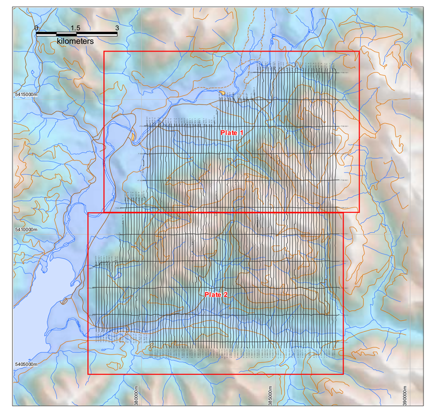

ZOFF nT/s

97.5
92.5
90.0
85.0
82.5
77.5
75.0
72.5
67.5
65.0
60.0
57.5
55.0
50.0
47.5
42.5
40.0
37.5
32.5
30.0
25.0
22.5
20.0
15.0
12.5
7.5
5.0
2.5

ZOFF Contour Interval

2.5nT/s

25nT/s

Off-Time Anomaly Symbols

>50S ....

35-50S ....

20-35S ....

10-20S ....

5-10S ....

1-5S ....

<1S ....

anomaly label A — 125 decay constant (μs)

thicK/thiN source K — 36 off-time conductance (S)

SURVEY SPECIFICATIONS:
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- Radar Altimeter: Terra TRA3000/TRI-30

DATA PROCESSING
- Magnetics: diurnal, tieline and micro-leveling corrections

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  - Major Axis: 6378137.000
  - Eccentricity: 0.081819191

MAP PROJECTION
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- Central Scale Factor: 0.9996
- False Easting/Northing: 500,000m/0m

scale 1:10,000

200 0 200 400 600
(meters)
NAD83 / UTM zone 10N

Inspiration Mining Corporation
Vancouver Island, British Columbia

AEROTEM Z0 OFF-TIME
Ninitat, Plate 2

NTS 092C15

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April 2008

ZOFF Plate 2

Grid North
NAD83-Zone10

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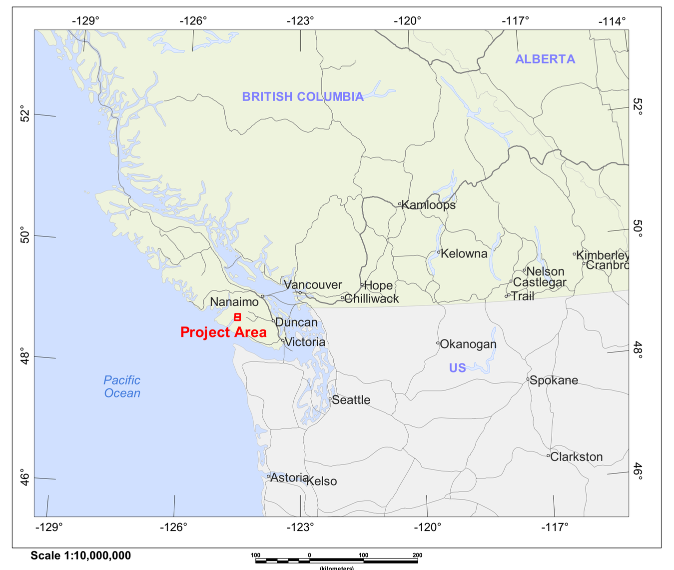

Scale 1:10,000,000

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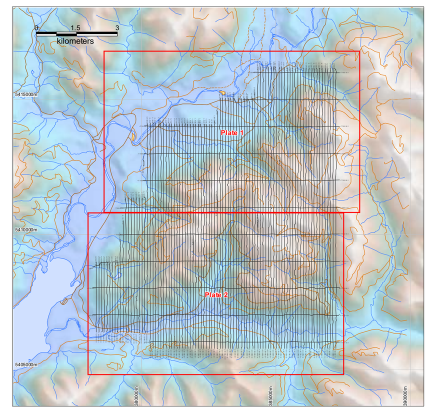
(kilometers)
NAD83 / UTM zone 10N



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54332
54315
54291

TMI (rtp)
nT

TMI Contour Interval

10nT
100nT
1000nT

Off-Time Anomaly Symbols

>50S ....
35-50S ....
20-35S ....
10-20S ....
5-10S ....
1-5S ....
<1S ....

anomaly label A 125 decay constant (μs)
thicK/thiN source K 36 off-time conductance (S)

SURVEY SPECIFICATIONS:
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scale 1:10,000

200 0 200 400 600
(meters)
NAD83 / UTM zone 10N

Inspiration Mining Corporation
Vancouver Island, British Columbia

TOTAL MAGNETIC INTENSITY
(reduced to pole)
Ninitat, Plate 1

NTS 092C15

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April 2008

TMI Plate 1

Grid North
NAD83-Zone10

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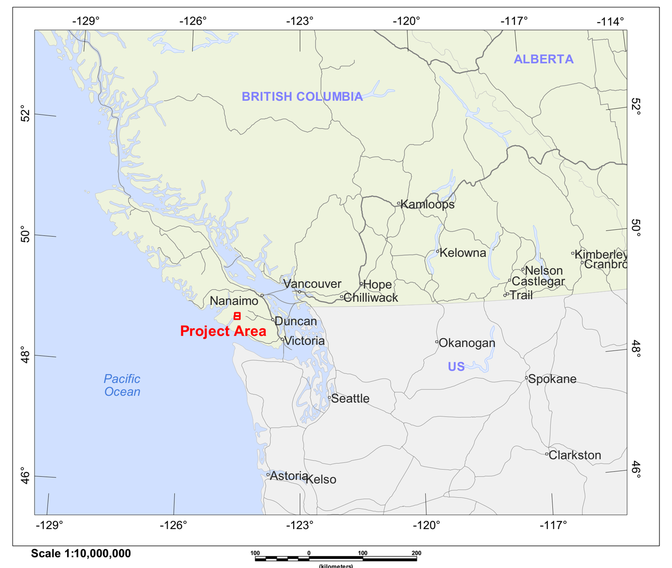
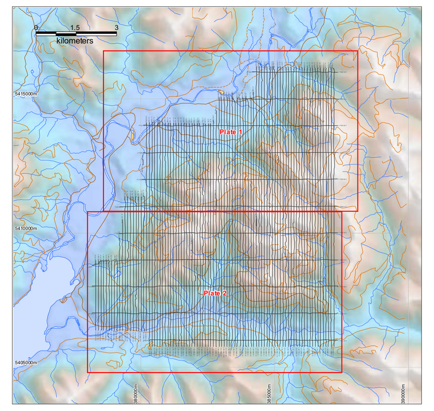


Scale 1:10,000,000

100 0 100 200
(kilometers)
NAD83 / UTM zone 10N



TMI (rtp) nT
54890
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54563
54553
54543
54534
54525
54516
54508
54499
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54456
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54437
54427
54417
54408
54397
54387
54374
54361
54347
54332
54315
54291

TMI Contour Interval

10nT
100nT
1000nT

Off-Time Anomaly Symbols

>50S ....
35-50S ....
20-35S ....
10-20S ....
5-10S ....
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<1S ....

anomaly label A
125 decay constant (μs)
thicK/thiN source K
36 off-time conductance (S)

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200 0 200 400 600
(meters)
NAD83 / UTM zone 10N

Inspiration Mining Corporation
Vancouver Island, British Columbia

TOTAL MAGNETIC INTENSITY (reduced to pole) Ninitat, Plate 2

NTS 092C15

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April 2008

TMI Plate 2

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NAD83-Zone10

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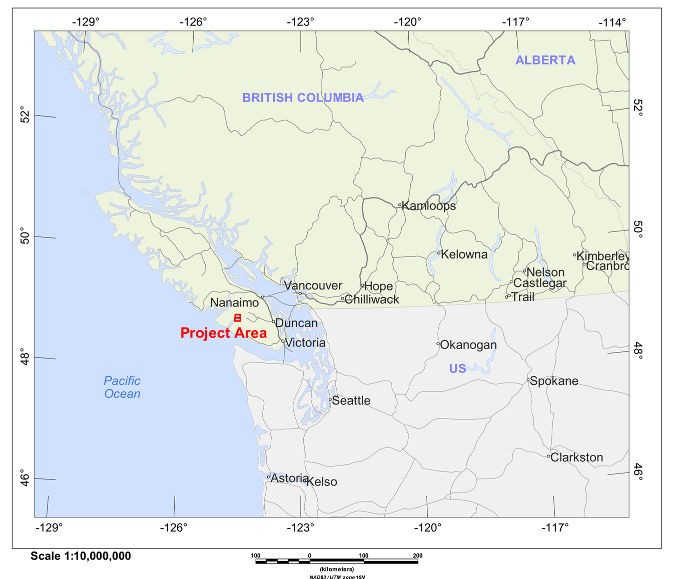

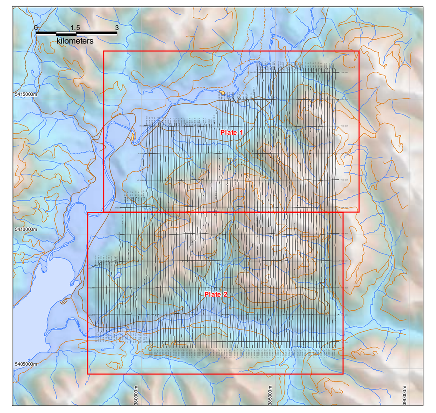

TDR Contour Interval

0.1 radians

1 radians

Off-Time Anomaly Symbols

>50S ....
35-50S ....
20-35S ....
10-20S ....
5-10S ....
1-5S ....
<1S ....

anomaly label A 125 decay constant (μs)
thicK/thiN source K 36 off-time conductance (S)

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Magnetics: diurnal, tieline and micro-leveling corrections
POSITIONING
Datum: NAD83
Major Axis: 6378137.000
Eccentricity: 0.081819191
MAP PROJECTION
Projection: Universal Transverse Mercator
Central Meridian: 123°W (Zone 10)
Central Scale Factor: 0.9996
False Easting/Northing: 500,000m/0m

1.31, 1.20, 1.10, 1.01, 0.93, 0.84, 0.76, 0.69, 0.61, 0.53, 0.45, 0.37, 0.29, 0.21, 0.13, 0.05, -0.03, -0.11, -0.19, -0.27, -0.34, -0.42, -0.49, -0.55, -0.62, -0.69, -0.75, -0.81, -0.87, -0.93, -0.99, -1.04, -1.10, -1.15, -1.21, -1.27, -1.33, -1.41

TDR
radians

scale 1:10,000

200 0 200 400 600
(meters)
NAD83 / UTM zone 10N

Inspiration Mining Corporation
Vancouver Island, British Columbia

TILT DERIVATIVE OF TMI
Ninitat, Plate 1

NTS 092C15

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7687 Bath Road, Mississauga, ON, CANADA L4T 3T1
Tel: (905) 672-9129 Fax: (905) 672-7083
www.aeroquest.ca

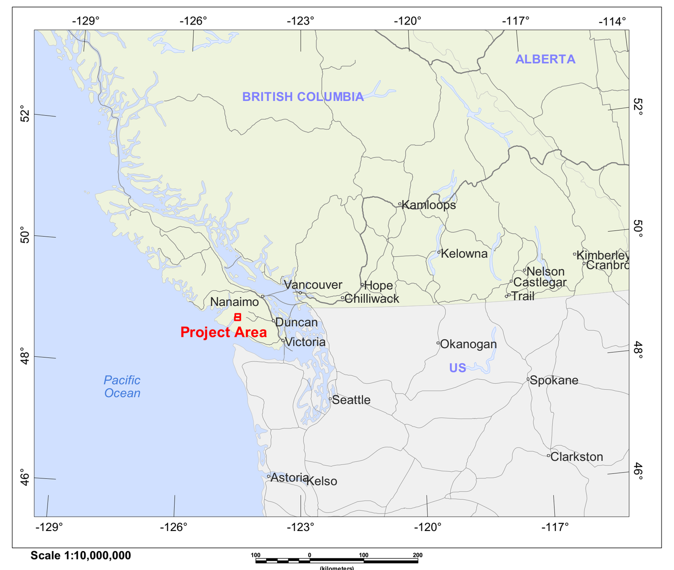
April 2008

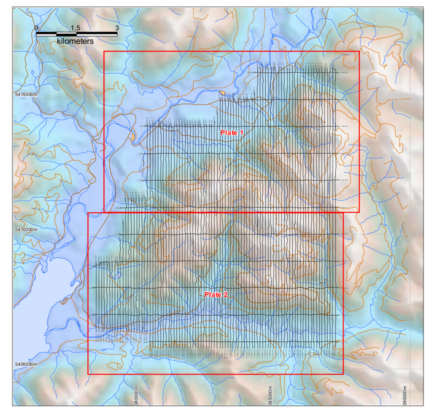
TDR Plate 1

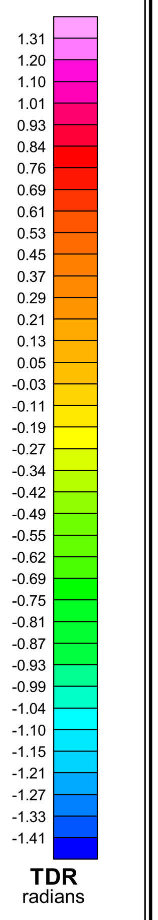
Grid North
NAD83-Zone10

The topographic data base was derived from 1:50000 NRC (Natural Resources Canada) NTDB data
Topo contours derived from NASA SRTM (Shuttle Radar Topography Mission) data
Inset data derived from Natural Resources Canada 'Atlas of Canada Base Maps'

This map accompanies the technical report entitled 'Report on a Helicopter-Borne Magnetic and Electromagnetic Survey,Ninitat Survey Vancouver Island, British Columbia', by Aeroquest Limited, April 2008







TDR Contour Interval
0.1 radians
1 radians

Off-Time Anomaly Symbols
>50S ....
35-50S ....
20-35S ....
10-20S ....
5-10S ....
1-5S ....
<1S ....

anomaly label A
decay constant (μs) 125
thicK/thiN source K
off-time conductance (S) 36

SURVEY SPECIFICATIONS:
Survey flown: February 13-19, 2008
Traverse line spacing: 100 metres
Traverse line direction: N-S (0º Azimuth)
Nominal EM bird height: 30 metres
Aircraft: Aerospatiale A-Star 350B2 (C-FPTG)
INSTRUMENTATION:
Data acquisition: ADAS & RMS DGR-33
Magnetometer: Geometrics G-823A cesium vapour
Installation: Towed bird 17 m above EM bird
Sensitivity: .001 nanoTesla
Electromagnetics: AeroTEM II System (ECHO)
Configuration: Towed bird
NAVIGATION:
Navigation: Differential Global Positioning System (DGPS)
Navigation equipment: AGNAV with MID-TECH RX400p receiver
Radar Altimeter: Terra TRA3000/TRI-30
DATA PROCESSING
Magnetics: diurnal, tieline and micro-leveling corrections
POSITIONING
Datum: NAD83
Major Axis: 6378137.000
Eccentricity: 0.081819191
MAP PROJECTION
Projection: Universal Transverse Mercator
Central Meridian: 123°W (Zone 10)
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False Easting/Northing: 500,000m/0m

scale 1:10,000
200 0 200 400 600
(meters)
NAD83 / UTM zone 10N

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Vancouver Island, British Columbia

TILT DERIVATIVE OF TMI
Ninitat, Plate 2

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