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Orientation Survey Results – Bullard Pass Property August 8, 2007

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Introduction

During the spring and early summer of 2007, the author conducted an orientation survey of geochemical and geophysical techniques on the Bullard Pass property in Arizona for Canadian Mining (AZ), Inc. The purpose of the orientation survey was to determine if precious metals mineralization exists on the property, to determine if anomalous elemental concentrations in rocks and soils are associated with mineralization, and to determine if potential conductors associated with the mineralization can be detected using a hand-held VLF-EM unit. Based on the data compilation study and preliminary review of the geology and results of the orientation study, mineral rights in the form of unpatented mining claims on U. S. Bureau of Land Management land and an Arizona State Prospecting permit were acquired. Negotiations are still proceeding for acquisition of mineral rights on the patented claims. The author has no monetary interest in this property or in Canadian Mining, Inc.

The exploration model based on the detachment fault mineralization model indicates that there is potential for large tonnage disseminated mineralization associated with upper plate pre-mineralization faults. Although these faults are present in outcrops on hills of variably rotated upper plate fault blocks, these mineralized zones have no potential for large deposits. If large tonnage deposits exist on the property they are hidden under Quaternary gravels with variable thickness. Therefore exploration techniques need to project favorable targets under gravel-covered areas or to “see” through gravels to target mineralization.

Based on data and report compilation (O’Hara, 2007) and review of a report with associated geologic map by Berridge and Smith (2000) on the property, the North Hill area of the property seemed ideal to test the proposed geochemical and geophysical techniques (Figure 1). This area was drilled extensively by Cominco (Figure 1), has exposed mineralization in a number of small shear zones in Tertiary andesite which were confirmed to be mineralized (O’Hara, 2007), contains a mapped geochemical anomaly, contains a number of CS-AMT geophysical anomalies, and a large area of Quaternary gravels under which mineralization trends and through which a number of holes were drilled.

Orientation study

Four lines were surveyed perpendicular to the general trend of mineralization in the North Hill area. Lines 1N, 3N, and 4N are approximately 2000 feet long and Line 2N is 1000 feet long with soil geochemical samples and VLF-EM data collected every fifty feet on each line (Figure 1). Location and spacing of these lines were determined based on geological constraints and cost effectiveness. Lines 1N and 2N were located to cover a portion of the Tertiary andesite and mineralization outcrops, plus Quaternary gravels. Lines 3N and 4N are within the Quaternary gravel unit, although occasional outcrops are locally present (Figure 1). The area in which the data from this orientation survey can be interpolated is indicated in white on Figure 1 and all subsequent figures. Figure 2 indicates the general outline of CS-AMT anomalies interpreted by Zonge engineering for Cominco. One continuous zone crosses the area of Tertiary andesite and a discontinuous anomaly is present in the area where Quaternary gravels are present. The relationship between the geophysical anomalies and drill-hole locations suggests that the geophysical anomaly pattern guided drilling. Figure 3 illustrates the location of anomalous gold

intercepts in the Cominco drill intercepts. The goal of this orientation study is to overlay the soil geochemical and VLF-EM results over these Cominco data sets, and each other to determine if a unique set of inexpensive geochemical and geophysical tools can be used to target mineralization through the gravels.

Figure 4 illustrates the location of gold anomalies derived from the Enzyme Leach data from the soil samples. Thresholds for all the geochemical maps were derived from pattern analysis of contour maps created in SURFER. If the exploration program proceeds to a property-wide sampling program more rigorous statistical and graphical techniques will be used in conjunction with the gridding algorithms and pattern generation in SURFER to determine anomaly thresholds and contour intervals. The location of the nine Au(EL) anomalies (>0.008 ppb) prove that Au(EL) data creates apical anomalies and that they are evenly distributed between the Tertiary andesite outcrops and the Quaternary gravels. They also appear to be small and cover a restricted area. There are more than twice as many Cu(EL) anomalies (>10 ppb) than Gold (EL) anomalies. However they also appear to be apical and restricted in size (Figure 5). Figure 6 indicates that there are similar number of Pb(EL) and Cu(EL) anomalies present. However a few of the apical Pb(EL) anomalies (>1 ppb) are wider and longer than the Cu(EL) anomalies. There are fewer Zn(EL) anomalies than Cu(EL) or Pb(EL) anomalies. However, Zn(EL) anomalies (>10 ppb) are larger and may overlay a number of the other elements. This may be due to higher mobility for zinc in surficial environments. Cadmium is usually associated with zinc geochemically. Therefore, the similarity of anomaly distribution between Cd(EL) and Zn(EL) anomaly patterns is expected. The larger size of the Cd(EL) anomalies (>1 ppb) may indicate a higher mobility for cadmium relative to the other base metals. Figure 9 illustrates the arsenic anomaly (>20 ppb) patterns in the orientation study area. These anomaly patterns also suggest that arsenic has an apical EL signature. Figure 10 is a combination of all the pathfinder element anomalous areas with gold and copper anomalies. This pattern illustrates that mineralized zones are present in the North Hill area and that Enzyme leach analyses can be used to determine a general area of mineralization. As an afterthought Ba(EL) was contoured and the resulting anomaly pattern compared well with the other pathfinder elements (Figure 11).

Figure 12 is an overlay of gold intercepts on the general anomalous signature in the north hill area. The intercepts within the small shear zones are extremely small relative to the overall area covered by the pathfinder elements. This suggests that the widespread pattern of the pathfinder elements should provide a good indicator of potential presence of mineralization and potentially through more detailed analysis may provide a vector towards mineralization. In areas where drill intercepts exist Au(EL) anomalies generally are located close to the intercept (Figures 12 and 13) within the pathfinder element anomaly (Figure 13). Slight differences between the Au(EL) anomalies and the drill intercepts may be related to location differences from current work and past work on copies. Au(EL) anomalies are located at the edges and within interior portions of the combined pathfinder anomaly (Figure 13). Figure 14 illustrates the distribution of Cu(EL) anomalies relative to the combined pathfinder-element anomaly. Cu(EL) anomalies are located at the edges and within interior portions of the combined pathfinder anomaly (Figure 14). These patterns are similar to Au(EL) anomalies (Figure 13). However, even though a number of Cu(EL) and Au(EL)

anomalies directly overlap there are a number of Cu(EL) and Au(EL) anomalies that are not associated. This suggests that not all gold mineralization is associated in the form of a Au-Cu oxide assemblage.

Ground-based VLF-EM anomalies indicate that shallow conductors are present in the North Hill area (Figure 15). These anomalies are usually approximately two-hundred to three-hundred feet thick and correlate between lines in the north. These anomalies overlap portions of the combined pathfinder anomalies (Figure 16). However, in certain areas they appear to extend into areas that are not geochemically anomalous. This may suggest that the conductor is associated with a mineralized structure but that the structure and associated conductor extends into areas that are not mineralized. Alternatively, a dipping mineralized zone may show a conductor next to a geochemical anomaly on a map view because two methods generate anomalous signatures at different depths. Figure 17 illustrates the VLF-EM anomalies relative to gold intercepts in drill holes. Six of the eight intercepts are located at the boundary of a VLF-EM anomaly or internally within a VLF-EM anomaly. Au(EL) anomalies are compared to VLF-EM anomalies on Figure 18. A number of the Au(EL) anomalies are associated with conductors indicated by VLF-EM anomalies. Other Au(EL) anomalies are independent of the VLF-EM anomalies. Figure 19 illustrates that most Cu(EL) anomalies are located within, adjacent to, or as extensions of conductors indicated by VLF-EM anomalies. A number of Cu(EL) anomalies are independent of the VLF-EM anomalies. In summary the VLF-EM anomalies suggest that conductors may be present that are not mineralized or that are not mineralized with gold or copper, and that a number of Au(EL) and Cu(EL) anomalies are not associated with conductors.

Conclusions

The orientation survey at the Bullard Pass property has successfully demonstrated that gold, copper and pathfinder elements using the Enzyme Leach protocol generate geochemical anomalies associated with known mineralized shear zones in outcrop and in projected mineralized shear zones under gravels. These anomalies correlate reasonably well with previously drilled gold intercepts, and geophysical EM anomalies using VLF-EM and CS-AMT techniques. It is now reasonable to scale up the Enzyme leach geochemical technique and VLF-EM technique to acquire data on the entire property to determine if large anomalies are present. Any potential large-sized anomalies found under the gravels, would suggest that large mineralized shear zones hosting gold mineralization may be present. More detailed surveys of these anomalies would be required to generate drill targets. The patented claims should be acquired and fractions staked this fall when the exploration program begins.

References

- Berridge, William C. and Smith, Michael R., 2000, Preliminary geologic report on the Bullard Mine Property: unpublished consultant's report, 17 p.
- O'Hara, Patrick F., 2007), Property report on the Bullard Pass area: unpublished consultant's report, 11 p.

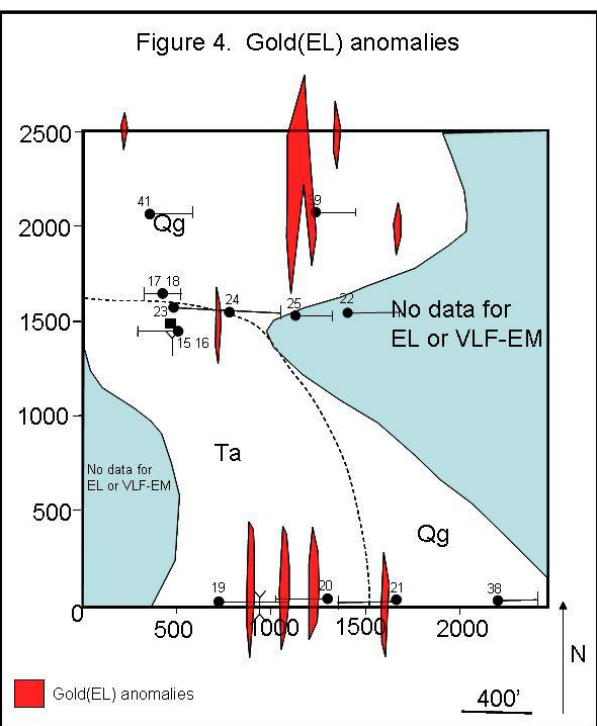
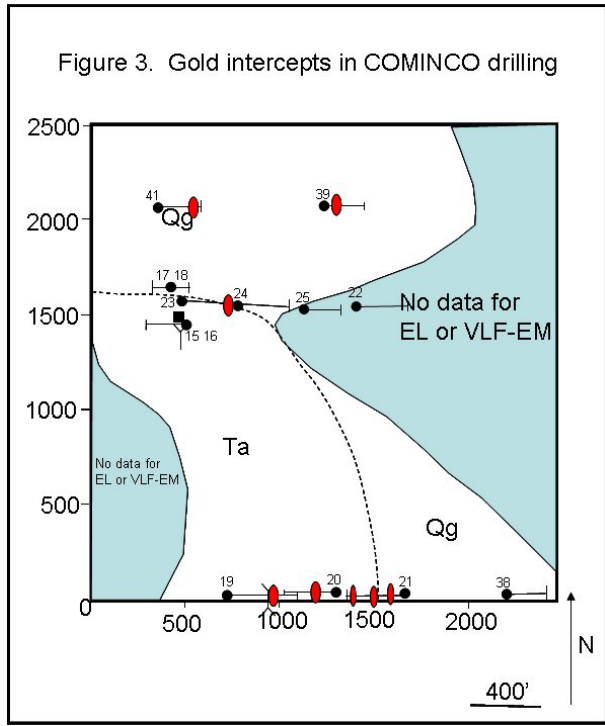
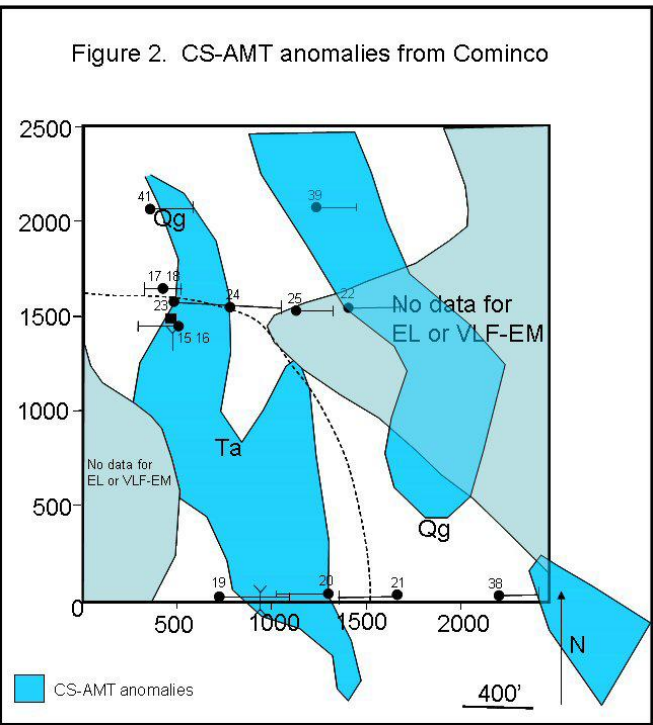
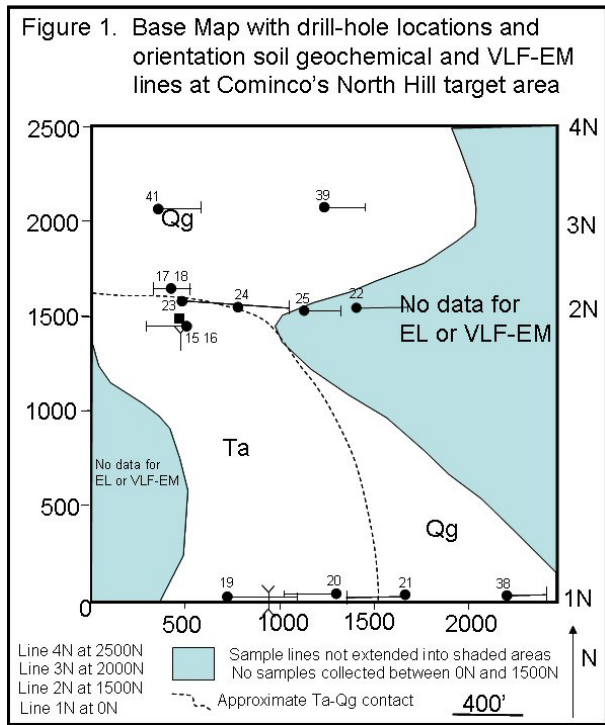


Figure 5. Copper(EL) anomalies

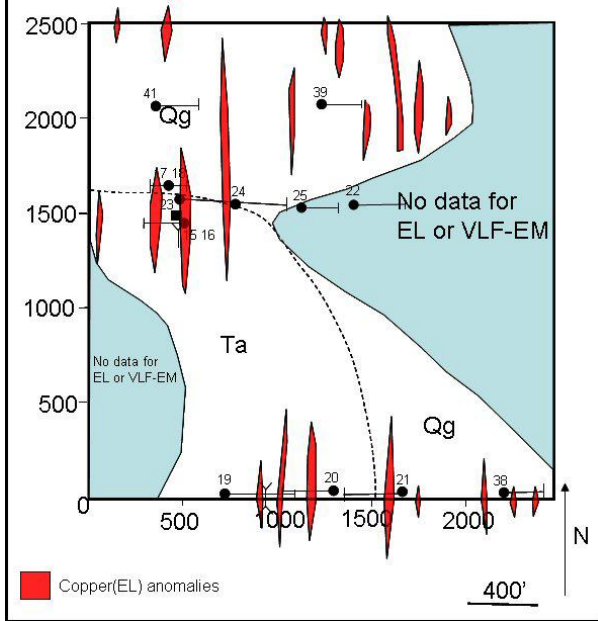


Figure 6. Lead(EL) anomalies

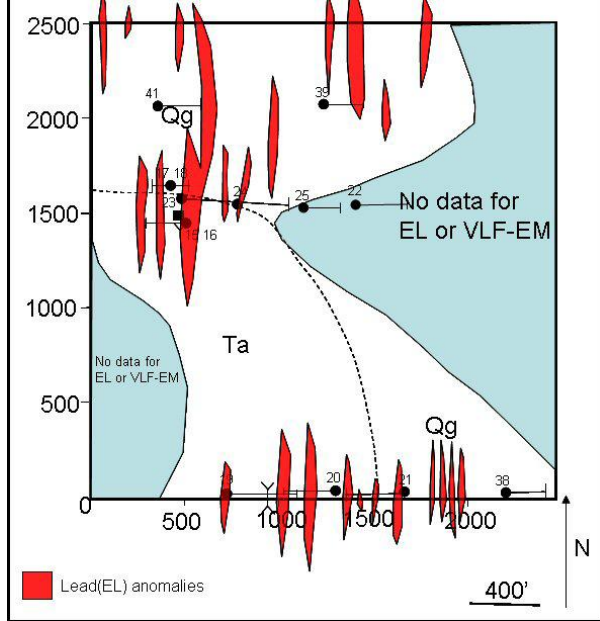


Figure 7. Zinc(EL) anomalies

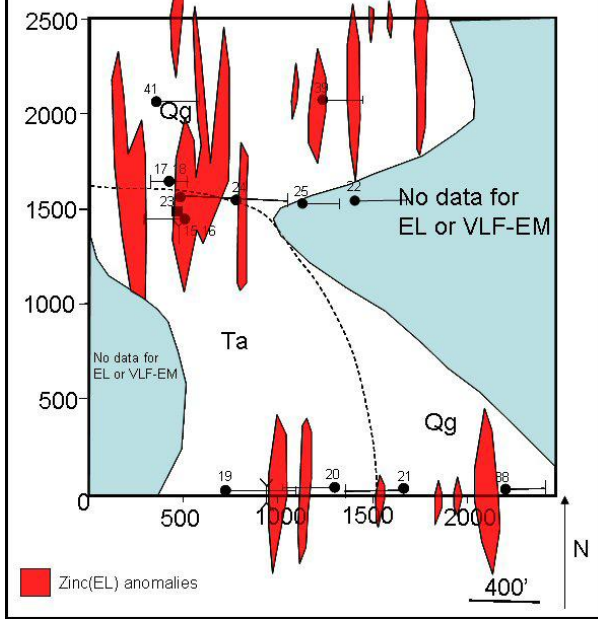


Figure 8. Cadmium(EL) anomalies

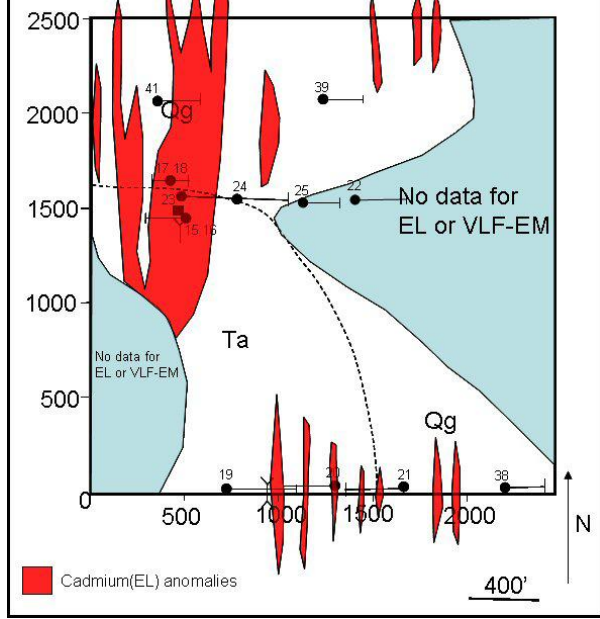


Figure 9. Arsenic(EL) anomalies

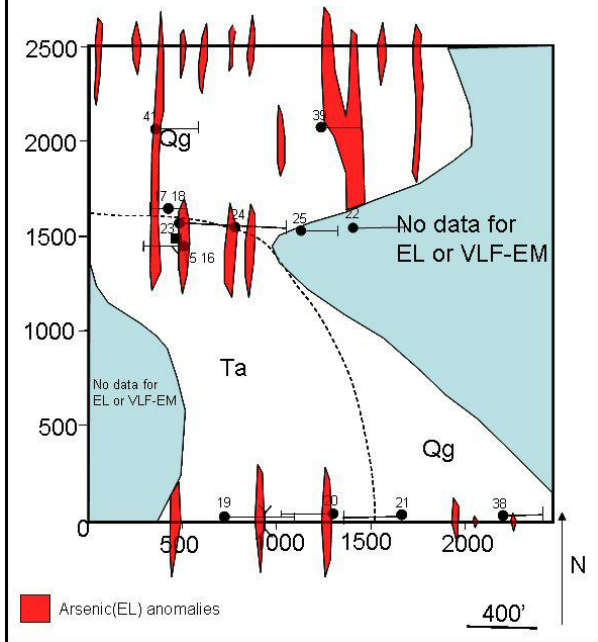


Figure 10. Combined gold + pathfinder EL anomalies

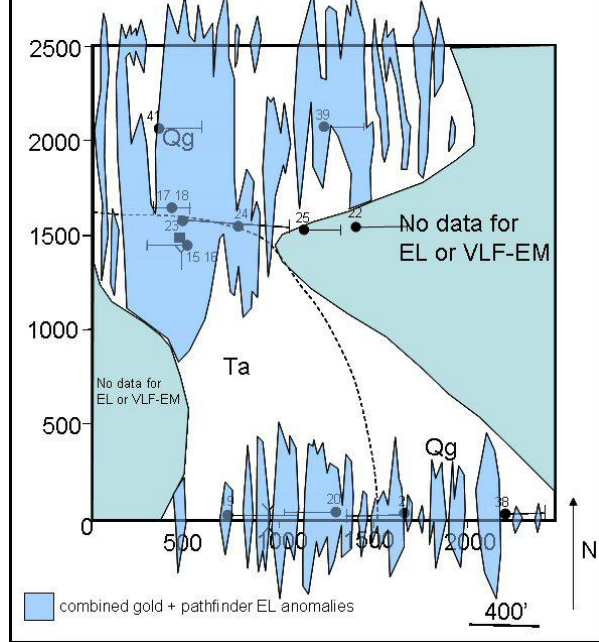


Figure 11. Barium(EL) anomalies

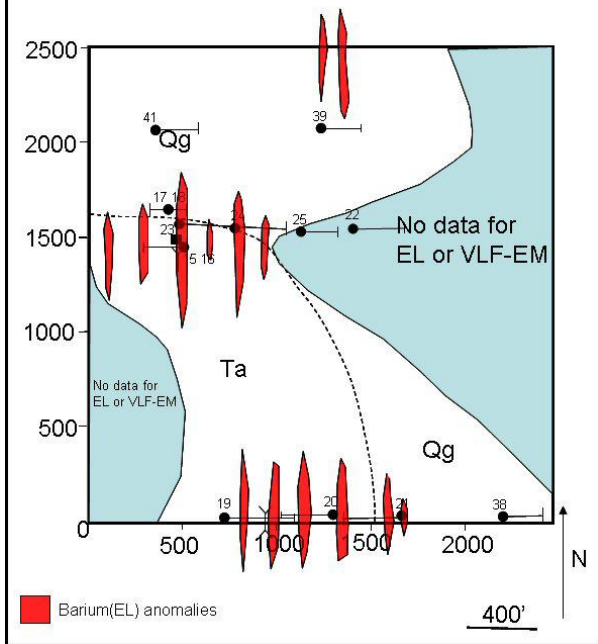
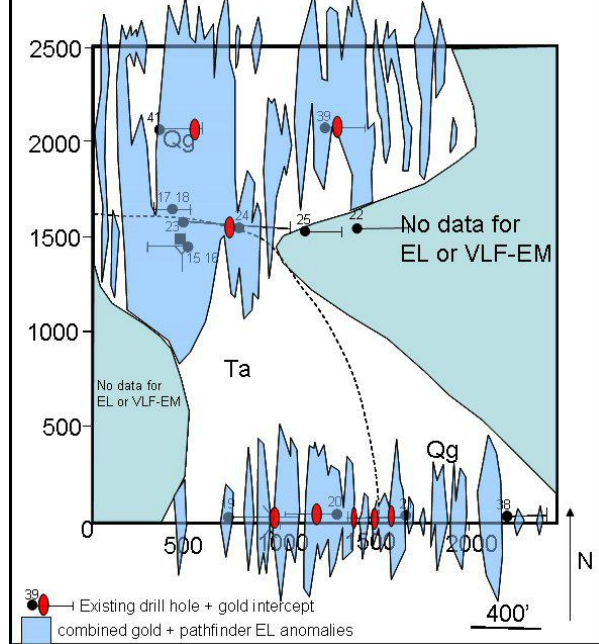


Figure 12. Gold + pathfinder anomalies with gold intercepts



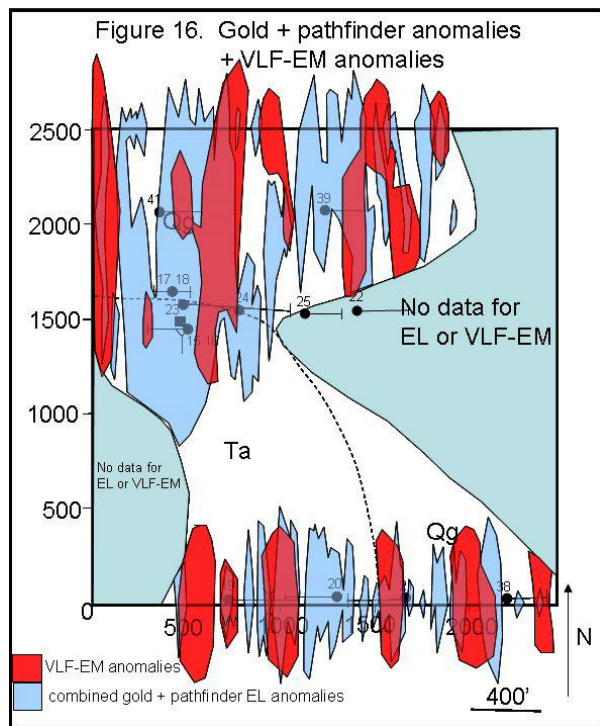
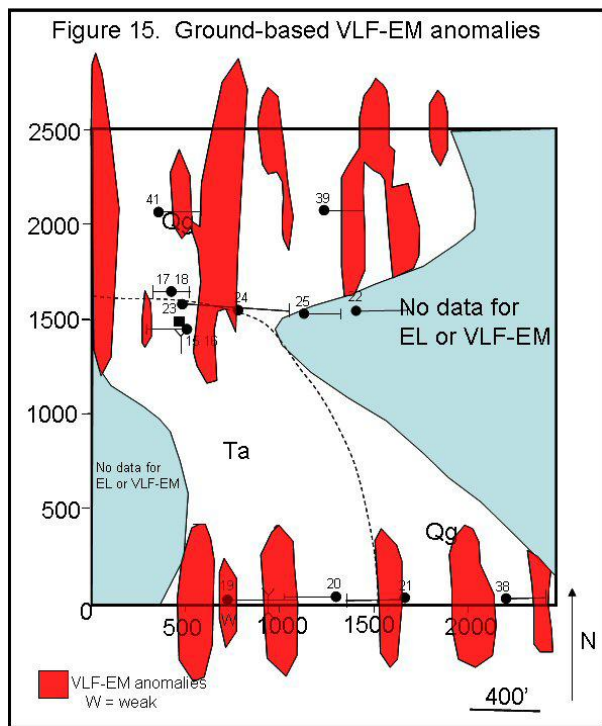
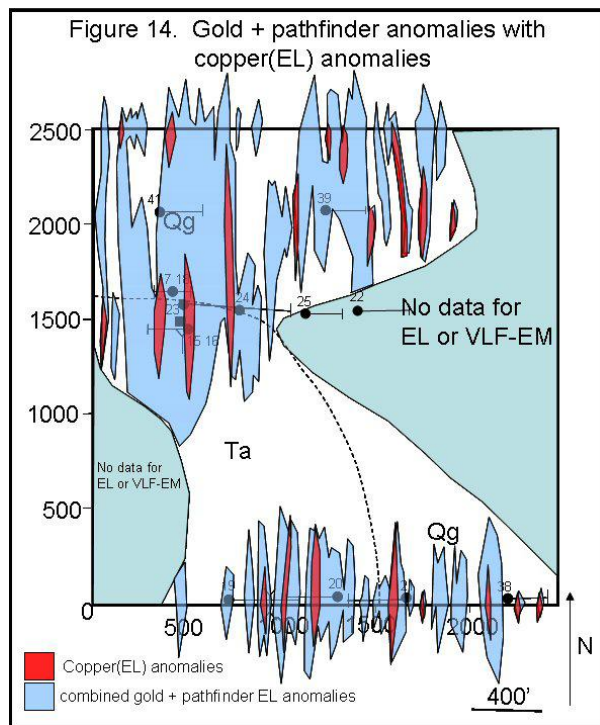
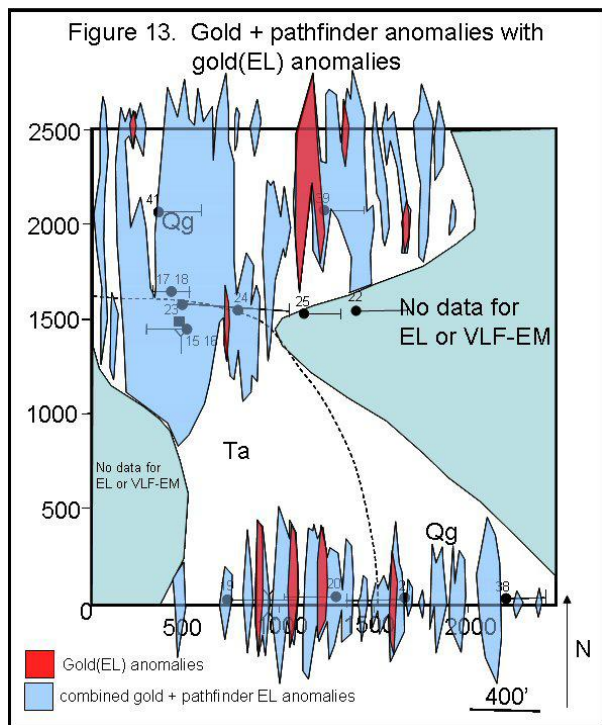


Figure 17. VLF-EM anomalies with gold drill intercepts

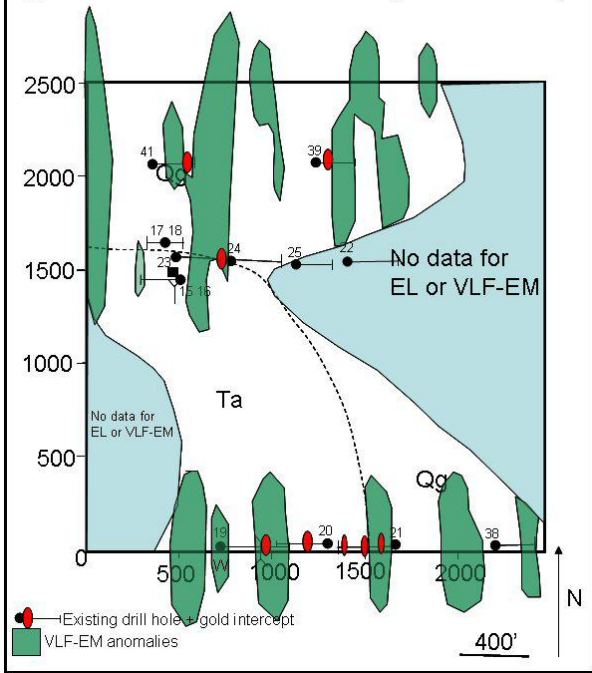


Figure 18. VLF-EM anomalies with gold(EL) anomalies

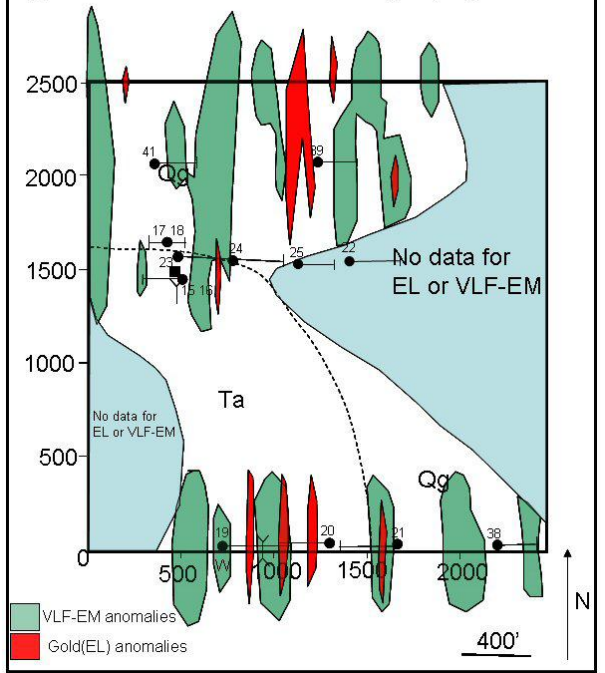


Figure 19. VLF-EM anomalies with copper(EL) anomalies

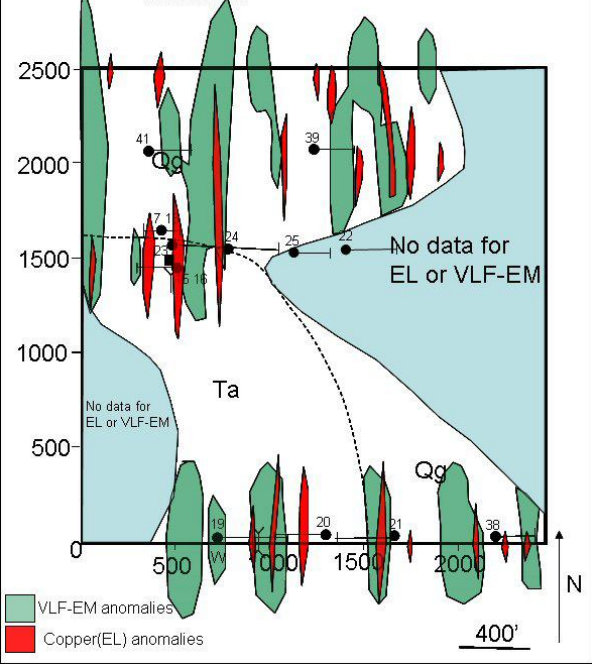


Figure 20. VLF-EM anomalies with CS-AMT anomalies

