



**JOURNEY**  
RESOURCES CORP.

**Musgrove Creek Gold  
Project  
June 2008 Summary Report**

**Lemhi County, Idaho, U.S.A.  
Unsurveyed T20N, R18E**

**43-101 Report for**

**Journey Resources Corp.  
(TSX-V: JNY)  
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**Effective Date  
June 13, 2008**

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## 1. Summary

Musgrove Creek is an advanced gold exploration project located in Lemhi County, Idaho, approximately 24 km (15 mi) southwest of the recently mined Beartrack gold deposit. The property is about 40 km (25 mi) southwest from Salmon, Idaho, and is accessed from Salmon or Challis by about 80 km (50 mi) of paved, gravel and dirt roads.

This report provides an update of the exploration activities conducted on the project by Journey Resources Corp. (TSX-V: JNY) during 2006, 2007, and early 2008. The last 43-101 report filed on SEDAR (Makepeace and McClave, 2006) summarized exploration activity up through the end of 2005.

Musgrove Creek contains a NI 43-101 Inferred Mineral Resource estimate of 8 million tonnes at 1.22g/t Au (0.036 oz/ton) at a gold cut-off of 0.8 g/t (0.023 oz/ton). This is equivalent to 9,761 kg (313,822 oz) of gold at zero dilution (Gruenwald and Makepeace, 2004). Recent exploration activity conducted at Musgrove is focused on adding to that resource with the objective of establishing a minable deposit.

During 2007, Journey acquired a 100% operating interest in the property by negotiating an amendment to their Option Agreement with Roxgold Inc. (formerly Wave Exploration Corp.) whereby Journey could expedite its obligations to earn a 100% right, title and interest in the Musgrove Creek Project. The Company received regulatory approval in June, 2007 and subsequently made payments to Roxgold in the amount of CDN\$25,000 cash and 75,000 common shares to finalize the deal. The property package consists of 87 unpatented lode mining claims, nine of which are subject to terms of an underlying lease.

Geologically, Musgrove Creek has potential for a large low-grade epithermal gold deposit similar to the nearby Beartrack Mine. The property is one of many mineral deposits that occur within a major northeast-southwest-trending structural zone known as the Trans-Challis Fault System. These deposits include the Beartrack Mine and other historic producers to the northeast of the property, and Hecla Mining Co.'s Grouse Creek Mine and other past producers to the southwest. The dominant host rock at Musgrove is metamorphosed fine-grained sediments of the Precambrian age Apple Creek Formation. These rocks are unconformably overlain by Tertiary Challis Volcanics, both of which are locally intruded by Challis intrusive rocks. Gold mineralization at Johnny's Point is associated with quartz veining, sericitic alteration, brecciation, and structural preparation.

Gold mining in the general project area began at the adjacent Musgrove Mine (not controlled by Journey), which operated from 1908 to 1911. The mine developed a high-grade gold quartz vein located immediately southeast of Journey's gold resource area, but accurate records of production are not available. During the late 1920's and early 1930's, the Smith-Gahan Mine operated along the south side of Musgrove Creek. The mine developed at least two quartz veins using a series of short adits, and shipped numerous truckloads of ore to a smelter in Utah.

Modern exploration at Musgrove began in the mid 1980's, when geologist Ray Robinson noticed strong alteration and quartz veining along exposures north of Musgrove Creek and located a block of mining claims to cover the area. Robinson subsequently leased the claims to Atlas Minerals who conducted an extensive sampling program, and then drilled 9 holes in 1991 into what became the "Johnny's Point" deposit. The following year Newmont acquired Atlas' holdings at Musgrove Creek, and drilled 27 diamond drill holes in 1993, 9 of which were drilled into the Johnny's Point area. As a result of this work Newmont provided the first (historical) resource calculation for the property. At a cut-off of 0.34 g/t (0.01 oz/T) of gold, Newmont calculated 11.9 million tonnes (13.2 million tons), grading 0.89 g/t Au (0.026 oz/T), with an estimated strip ratio of 2.5:1.

In 1996, Meridian Gold Inc. leased the property and drilled an additional 20 diamond drill holes and 3 reverse circulation holes. Nine of these targeted the Johnny's Point area, and encountered mineralized intercepts of a similar width and grade to the earlier drilling. The property was subsequently returned to the owner in 1997 due to the collapse of the gold market.

In June 2003, Wave Exploration Corp. entered into a lease with Robinson, digitally compiled drill hole data, and generated a NI 43-101 compliant Technical Report (Gruenwald and Makepiece, 2004) with the mineral resource estimate noted above. During 2004, Wave drilled 2 confirmation drill holes to verify previous drill hole results, and 2 set-out drill holes to the northwest of the identified mineral resource area. Additionally, Wave completed a soil geochem grid northwest of the Johnny's Point area. Wave did not complete any further work on the property and in November 30, 2005 optioned the property to Journey Resources Corp.

In 2006, Journey staked 40 new claims, prospected these claims, conducted rockchip and soil geochemistry, and drilled 9 rotary reverse-circulation drill holes northwest of Johnny's Point to begin testing a soil geochemistry anomaly found in 2004. Journey continued testing this anomaly in 2007 by drilling 5 core holes located west and down-slope of the 2006 holes

The results from Journey's 2006 and 2007 drilling programs indicate a tangible target for ore-grade mineralization (named herein the "Johnny Northwest target area") located midway between those two groups of drill holes. Five core holes totaling 427 m (1400 ft) are recommended to be drilled from an existing access road to begin testing this target area.

A considerable effort to incorporate all data from the project into a GIS database has been undertaken during early 2008. To further this effort by providing an accurate base map, a quality orthophoto with topo is recommended to ensure that all data are positioned properly.

Additional target areas remain on the property, including the "Ludwig Basin" area west and southwest of Johnny's Point, and the "Ostrander Creek" and "Just Joe" areas to the northwest. These target areas need to be addressed for discovery potential during 2008 and 9 field seasons.

A budget of US\$330,000 is proposed for exploration during the 2008 field season to drill the 5 core holes into the Johnny Northwest target area, and to advance other exploration efforts at Musgrove Creek.

## **2. Introduction**

### **2.1 Who Report Prepared For**

The author has been retained by Journey Resources Corp. (TSX-V: JNY) of Vancouver, British Columbia to complete this independent report, pursuant to National Instrument 43-101 (NI 43-101) of the Musgrove Creek Gold Project located west-southwest of Salmon, Idaho (Figure 1). The author is a Qualified Person as defined in NI 43-101, and is independent of the company as defined by Section 3.5 of Companion Policy 43-101CP to National Instrument 43-101.

### **2.2 Purpose of the Report**

The purpose of this report is to provide an independent summary of exploration activity on the Musgrove Creek Gold Project during 2006 and 2007, and propose a program for continued exploration during the 2008 field season.

### **2.3 Sources of Information and Data**

Much of the information discussed in this report is derived from a review of reports and data generated by Journey or predecessors between 2004 and 2006. Specifically, these reports (which are fully referenced in Section 20 “References”) include: 1) Gruenwald and Makepiece, 2004; 2) Makepiece and McClave, 2004; 3) Makepiece and McClave, 2006; and 4) McClave, 2006.

Another significant source of data is maps and files made available to Journey by Raymond Robinson, who is the owner of the core group of unpatented mining claims at Musgrove. These maps and files contain data generated by Atlas Precious Metals, Newmont Mining Company, Meridian Gold Corp., and a few other companies that conducted exploration in and around the project area from 1987 through 1998.

Complete references are provided in Section 20 References. Where cited, references are referred to in the text by author and date.

Unless otherwise indicated, all references to dollars (\$) in this report refer to currency of the United States.

### **2.4 Scope of Personal Inspection**

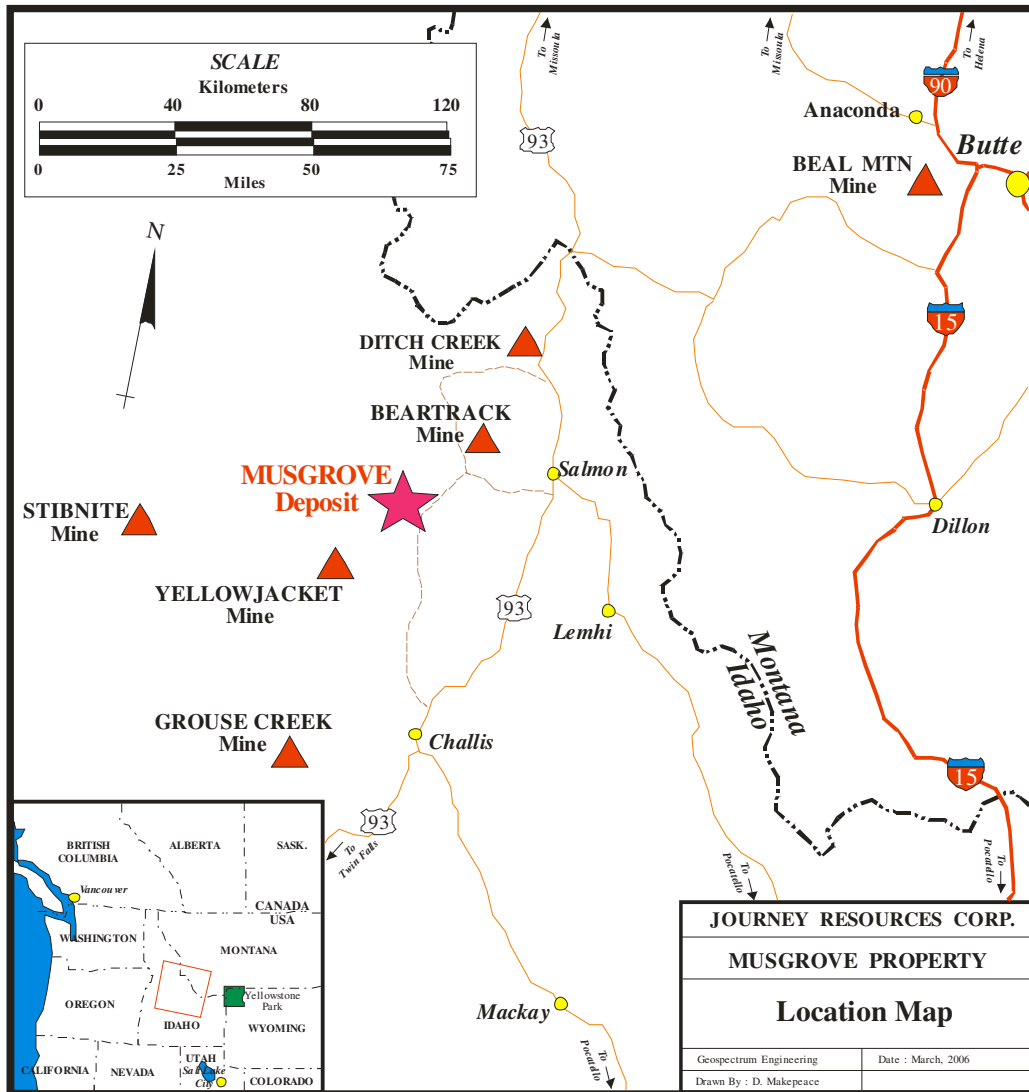
The author was on the property numerous times during October and November, 2007 while supervising an exploration drilling program undertaken by Journey.

## **3. Reliance on the Work of Others**

In the preparation of this technical report the author has relied on information in public and private reports and data. Principally, the author has relied on, and extracted data and information from, the reports and sources cited in section 1.3 above.

All information contained in this report regarding land, legal title, unpatented mining claims, property agreements, permitting, and environmental issues have been extracted from the reports mentioned above or press releases made public by Journey Resources or its predecessor. The author has not reviewed any legal or environmental documents or property agreements, and is not an expert in such issues.

**Figure 1**



## **4. Property Description and Location**

### **4.1 Area of the Property**

The property consists of a total of 87 contiguous unpatented lode mining claims covering an aggregate of approximately 692 hectares (1710 acres).

### **4.2 Location**

The Musgrove Creek Gold property is situated in the Salmon River Mountains, approximately 40 km (25 mi) southwest of the town of Salmon, Idaho, and 69 km (43 mi) north of the smaller town of Challis (Figure 1). The project area is considered to be within the Cobalt Mining District, as the past-producing Blackbird Cobalt Mine is located 9.3 km (5.75 mi) north-northwest of the property. The nearly-abandoned town of Cobalt, a previous company town for the Blackbird Mine, is along Panther Creek 9.7 km (6 mi) northeast of the property. Meridian Gold's Beartrack Mine, the closest of the larger gold mines in the region, is 24 km (15 mi) northeast of the Musgrove project. The central portion of the property, which is essentially the Johnny's Point resource area, is located at approximately 45° 2' North Latitude and 114° 20' West Longitude. The claims are situated in the south-central portion of unsurveyed Township T20N, R18E.

### **4.3 Mineral Tenure**

All of the mining claims comprising the Musgrove property are unpatented lode mining claims that have been recorded in the Lemhi County Court House in Salmon, Idaho and filed with the US Bureau of Land Management office in Boise. Please refer to Appendix I for a full listing of the names of the individual claims, location and/or recording dates, and relevant county or BLM serial numbers.

It was not within the scope of this report to independently verify the legal status or ownership of the mineral properties or of the underlying option agreements. The information provided herein has been extracted from reports mentioned in Section 1.3 above, and from news releases of Journey Resources Corp. and their predecessors.

### **4.4 Nature and Extent of Title or Interest in the Property**

In November 30, 2005, Journey Resources Corp. entered into an Option Agreement to acquire a 100% respective right, title and interest in the Musgrove Creek Gold Project property from Wave Exploration Corp. (now named Roxgold Inc.) subject to the following terms:

- A CDN \$25,000 non-refundable cash deposit on signing of a Letter of Agreement (September 29, 2005);
- A CDN \$75,000 cash payment and issue of 300,000 common shares on or before the closing date (November 30, 2005);
- A payment of CDN \$100,000.00 on the first anniversary of the closing date (November 30, 2006);
- An additional payment of CDN \$150,000.00 on the second anniversary of the closing date (November 30, 2007); and

- At any time following the execution of the Letter Agreement, Journey had the right to earn a 100 % interest in the claims by paying a lump sum of CDN\$325,000 and 300,000 common shares to Wave.

As announced in a news release dated June 1, 2007, Journey negotiated an amendment to the Option Agreement, whereby Journey could expedite its obligations to earn a 100% right, title and interest in the Musgrove Creek Project by making a final payment of CDN\$25,000 cash and 75,000 common shares of its capital to Roxgold Inc. The Company received regulatory approval on June 12, 2007 and then subsequently made that final payment.

The Musgrove Creek Property currently consists of 87 contiguous unpatented lode mining claims, 9 of which are leased from the Robinson Family Trust of Reno, Nevada. This claim group, which includes seven “Lee-S” and two “AMAC” claims, are the core claims of the property (Figure 2).

Wave Exploration Corp. located 38 “San” lode mining claims in 2003 that are now owned by Journey. In 2006, Journey located an additional 30 “San” unpatented lode claims and 10 “Joe” unpatented lode claims.

Yearly BLM and county property holding costs incurred by Journey for the 87 unpatented claims is \$10,875 to the BLM for the yearly maintenance fee, and approximately \$48 to Lemhi County to record the Intent-to-Hold.

Journey does not control the three patented mining claims that cover the historic Musgrove Mine, the vein exploited by the mine, and a millsite in the valley along Musgrove Creek (Figure 2). Journey is attempting to negotiate a lease/option with the owners of these claims.

#### **4.5 Property Survey**

None of the unpatented claims have been surveyed, however it is believed that they were located according to accepted industry standards at the time of their location.

#### **4.6 Location of Mineralized Zones and Mine Workings**

The location of all known mineralized zones, historical mineral resources, mine workings and important natural features and improvements, relative to the outside property boundaries, are shown on Figure 3 “Claims, Mineralized Zones and Mine Workings”.

#### **4.7 Royalties, Payments or Other Agreements and Encumbrances**

In June 2003, Wave Exploration Corp. entered into a lease with the Robinson Family Trust to acquire a 100% interest in 9 unpatented lode mining claims then comprising the Musgrove property – this lease subsequently being acquired by Journey in June 2007 as noted in above Section 3.4. The lease has a term of 10 years and includes 2 additional 10-year renewal options. Under terms of the agreement Wave (now Journey) is to pay US\$ 1.0 million following the completion of a Bankable Feasibility Study and make annual advanced royalty payments of:

- US\$ 7,500.00 within 180 days of signing the lease,

- US\$ 15,000.00 on the first anniversary date,
- US\$ 20,000.00 on the second anniversary date, and
- Future payments equal to US\$ 5,000 plus the amount of the previous annual payment to a maximum of US\$ 50,000.

June 2008 is the fifth anniversary of the signing of the agreement, thus the payment to the Robinson Family Trust will be \$35,000. The agreement is subject to a 2% production royalty, which may be purchased in full for US\$1.5 million. This buy-out amount is to be net of all advanced royalty payments as well as any production royalty payments.

#### **4.8 Environmental Liabilities**

There are no known environmental liabilities on the property.

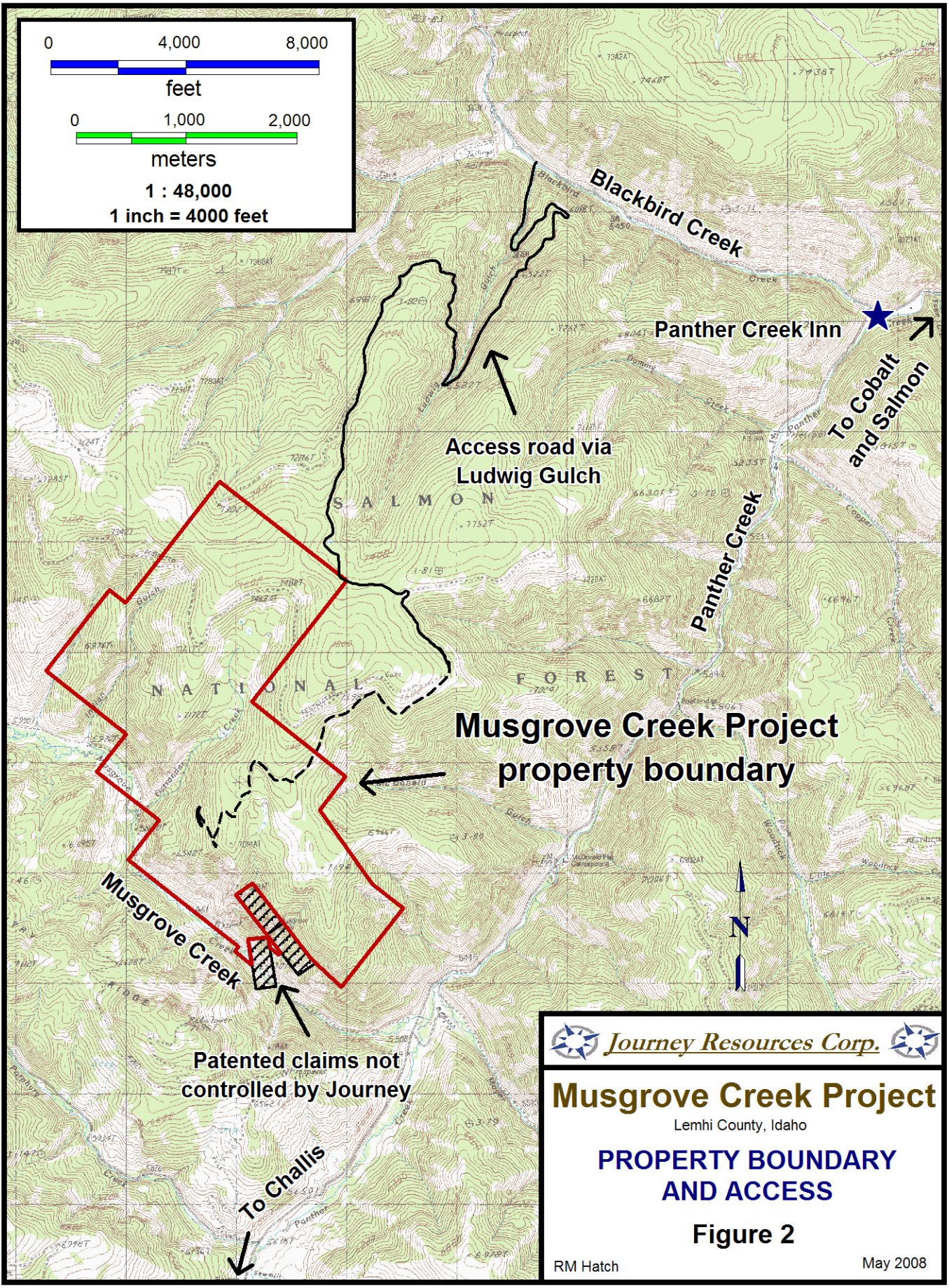
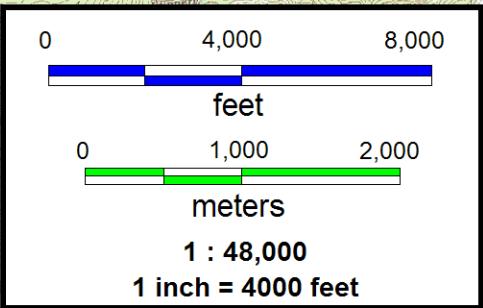
#### **4.9 Permits Necessary to Conduct Work on the Property**



The project area is located entirely on lands administered by the United States Forest Service, in the jurisdiction of the Salmon-Challis National Forest which is managed out of offices in Salmon, Idaho. Exploration-level work programs are permitted under a “Plan of Operations” for disturbances less than 5 total acres (2 ha).

Wave Exploration Corp. filed a Plan of Operations with the U.S. Forest Service to drill approximately 9 reverse circulation drill holes along an abandoned drill road that extends north of Holes 41 and 42 drilled during the spring of 2004. This Plan was approved, but Wave conducted no further work on the property other than minor remediation work with respect to the 2004 work program.

Journey is currently operating under the Plan of Operations initially submitted by Wave and then amended in August, 2006. The total disturbance permitted under this plan and amendment is 4.1 acres (1.7 ha), thus reclamation of much of the current disturbed area will be necessary to permit road and drill site construction below Johny’s Point as is recommended for the 2009 field season (see Section 19 “Recommendations”). The drilling program recommended herein for the summer-autumn of 2008 involves 5 drill sites situated on an access road built during 2007. The Forest Service has agreed to allow these sites to be drilled, even though they are not specifically mentioned in the amended Plan.

Permitting issues related to development and mining activities will be covered in future disclosures when those advanced activities are being contemplated and planned.



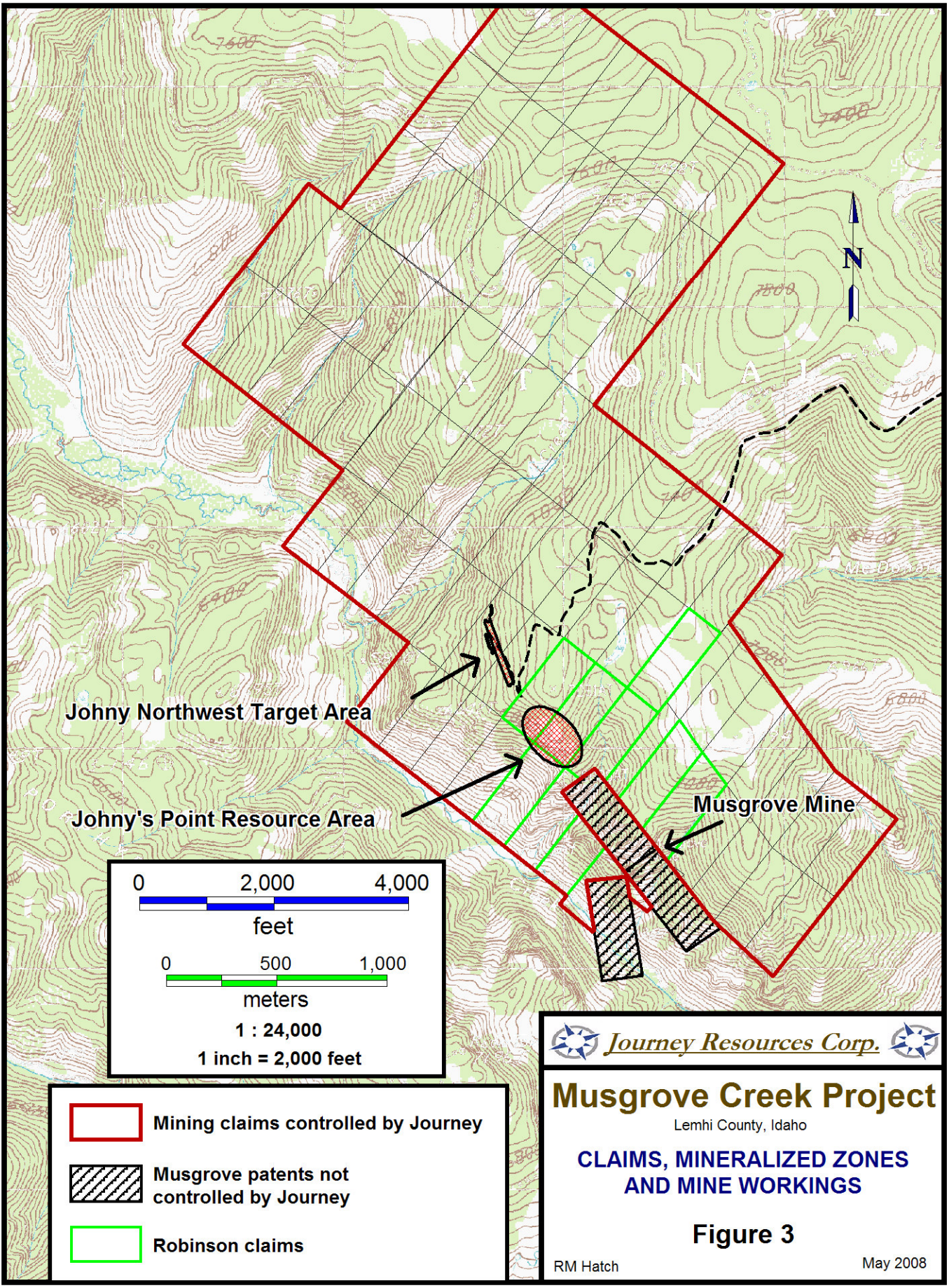
 *Journey Resources Corp.* 

**Musgrove Creek Project**  
Lemhi County, Idaho

**PROPERTY BOUNDARY  
AND ACCESS**

**Figure 2**

RM Hatch May 2008



## **5. Accessibility, Climate, Local Resources, Infrastructure and Physiography**

### **5.1 Topography, Elevation and Vegetation**

The Musgrove project is situated in the Salmon River Mountains and is characterized by gentle to steep forested terrain ranging in elevation from 1,768 to 2,195 meters (5,800 to 7,200 feet). The property is bounded on the south by the steep valley of Musgrove Creek; the known mineral resource at Johnny's Point is along the northern rim of this canyon west of the Musgrove Mine (Figure 3). The majority of the property to the north of Johnny's Point is a gently sloping dissected plateau, portions of which may be useable for mining facilities or heap leach pads.

Vegetation consists primarily of thick fir and Lodgepole Pine forest, with alpine-type grasses in open and exposed areas.

### **5.2 Access**

The property is accessible by the Williams Creek Road from Salmon and the Morgan Creek Road from Challis, both of which are generally well-maintained graded gravel roads that end up on the gravel road along Panther Creek. The southern portion of the property is accessed by a narrow dirt road along Musgrove Creek, which turns off to the west from the Panther Creek road. Access to the higher elevation and northern portions of the property is via USFS Road 116 (the Ludwig Gulch Road) that leaves the Blackbird Creek Road at the Blackbird Mine gate. Some of the Forest Service roads in this area, including those required for accessing the principal resource and target areas, have restricted access behind locked gates to protect wildlife. Each vehicle used onsite as part of the exploration program must carry a special vehicle permit from the Forest Service when operating behind the gates.

### **5.3 Local Resources and Infrastructure**

Salmon, with a population of approximately 3300, is sufficiently large to provide housing and services to support the employees of mines in the area. Furthermore, the town and general area are a very appealing locality due to the beauty and outdoors activities available in the immediate area. Thus, attracting skilled mining personnel to the area should therefore not be a problem. Local residents appear eager to see mining development and the jobs it provides in the region.

Accommodation and board for exploration crews is available in both Salmon and Challis, with Salmon being preferable due to its larger size. Exploration crews may be accommodated temporarily in rental houses at the old Cobalt town site, and at the Panther Creek Inn, which is at the confluence of Blackbird Creek and Panther Creek.

### **5.4 Climate and Length of Operating Season**

The region has a semi-arid climate and is typical of central Idaho, i.e. long, snowy winters, and short, cool, dry summers. Exploration activity will likely be limited to the months of May through October due to snow cover, depending on the weather of any particular year. It is possible that mining activities can be conducted year-round, since other nearby gold mines have apparently been able to do so.

## **5.5 Sufficiency of Surface Rights and Areas for Mining Operations; Availability and Sources of Power, Water, and Mining Personnel**

There are several flat areas on the property that could support mining and/or heap leach operations. Surface rights have not been determined, and that determination is beyond the scope of this report.

A power line in the area provides electricity to Cobalt and the Blackbird Mine site, which is currently being permitted for resumption of mining operations. Considering the Blackbird Mine was once a major mining operation, and that Cobalt at one time apparently had in excess of 1000 residents, it is possible that this power line contains sufficient capacity to provide power to a mining operation at Musgrove Creek.

Due to the heavy snowfall the region receives, there should be sufficient water available for any mining activity that may be conducted on the property in the future. Water for the needs of exploration drilling programs is hauled from Ludwig Gulch or an un-named creek to the north.

This part of Idaho is mining country, as demonstrated by the recently active Beartrack Gold Mine, the currently active Thompson Creek Molybdenum Mine southwest of Challis, the Blackbird Cobalt Mine, the Grouse Creek Gold Mine west of Challis, and numerous other smaller operations. Therefore, there should be ample human resources and services available to conduct exploration and development of the property. For exploration drilling programs, the drilling contractor(s) hired to perform the actual drilling will supply their own personnel. Earth-moving contractors are readily available in Salmon to build access roads and drill pads, and to complete the necessary reclamation.

## **6. History**

### **6.1 Historical through 2005**

The following is extracted directly from Makepiece and McClave, 2006:

“A report for Newmont Exploration Ltd. (Arnell and Krasowski, 1995) provides the early historical background of the region and project area.

“Mining in the area dates back to the late 1800’s when gold was produced at the Yellowjacket Mine and copper was discovered in the vicinity of the Blackbird mine. Locally, the Musgrove Mine operated from 1908 to 1911. The mine developed a high-grade gold quartz vein via an adit along the north side of Musgrove Creek. An aerial tramway was used to haul ore to a small mill located near the creek bottom. Finely ground ore was then introduced into a series of wooden tanks containing cyanide and zinc shavings. No accurate records of production have been confirmed.

“During the late 1920’s and early 1930’s, the Smith-Gahan Mine operated along the south side of Musgrove Creek. The mine developed at least two quartz veins using a series of short adits. Though no production records exist, numerous truckloads were shipped to a smelter in

Utah. The Smith-Gahan discontinued operations in the mid-1930s due to their advancing ages, however, exploration has continued intermittently until present.”

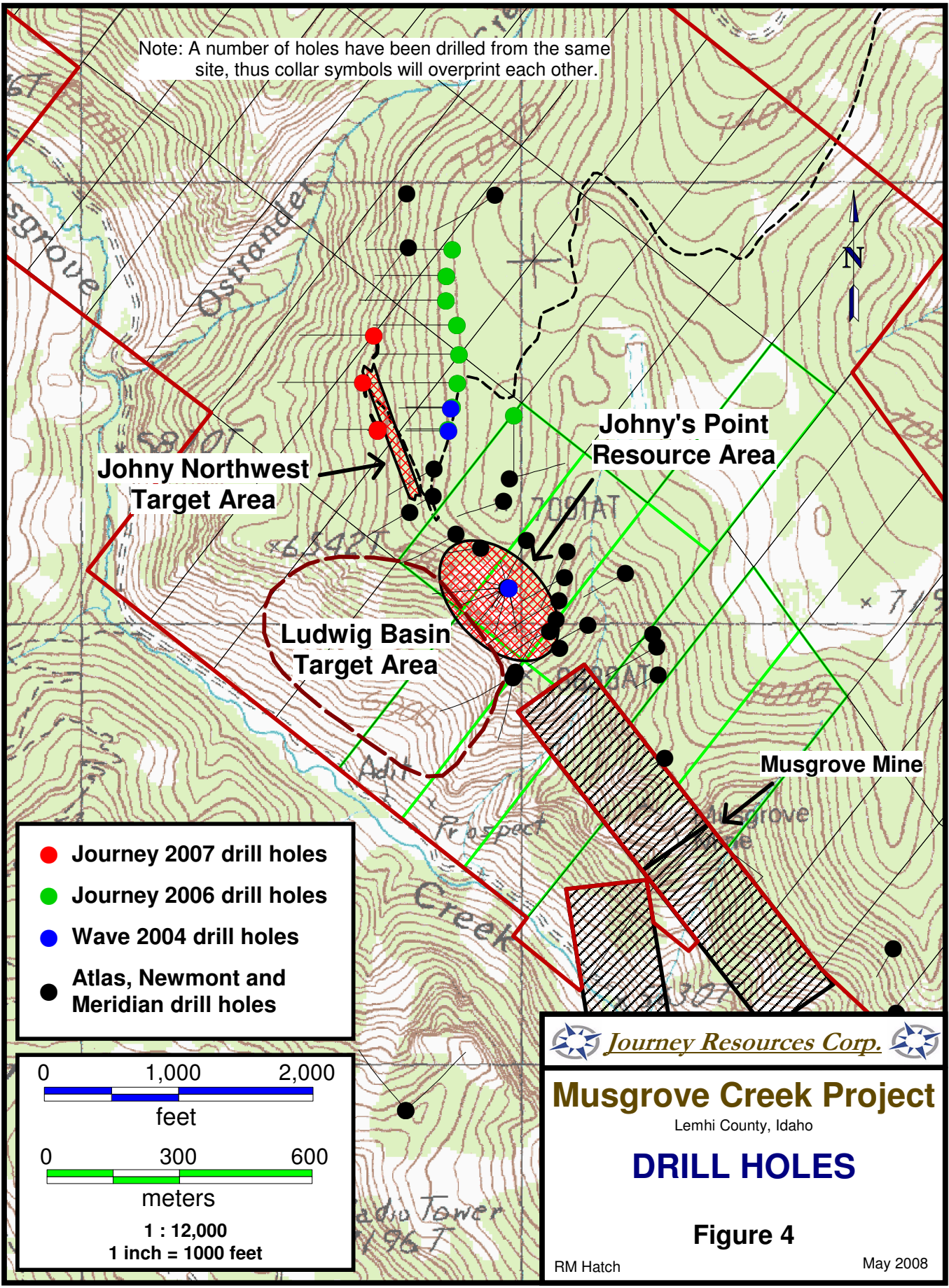
“Exploration in the region during the 1980’s led to the identification of large-scale epithermal gold deposits, the principle producer being the Beartrack Mine, located 12 miles to the northeast of the Musgrove property. During the period 1994 to 2000, Meridian Gold Inc. (formerly FMC Gold Corp. and now Yamana Gold), recovered approximately 20,200 kg (650,000 ounces) from 22.7 to 27.2 million metric tonnes (25 to 30 million short tons) of ore grading approximately 1.02 g/t (0.03 oz/T) of gold. Mining and recovery of gold was accomplished by open-pit and heap leach methods. The cost of production ranged from US\$190 to US\$ 200 per ounce of gold.

“In the mid 1980’s, geologist Ray Robinson noticed strong alteration and quartz veining along exposures north of Musgrove Creek. Robinson staked a large block of claims and eventually leased them to Atlas Minerals who conducted an extensive sampling program and in 1991, drilled nine holes into the Johnny’s Point deposit. The following year Newmont acquired Atlas’ holdings at Musgrove Creek

“In 1993 Newmont drilled 27 diamond drill holes, 9 of which were drilled into the Johnny’s Point area. As a result of this work Newmont provided the first resource calculation for the property. At a cut-off of 0.34 g/t (0.01 oz/T) of gold, Newmont calculated 11.9 million tonnes (13.2 million tons), grading 0.89 g/t Au (0.026 oz/T), with an estimated strip ratio of 2.5:1. This historical estimate is a relevant fact that continues to contribute to the additional exploration dollars spent on the property to date. Although the estimate does not conform to NI 43-101 requirements, the authors feel that the estimate was done by a professional geologist that would be considered a qualified person under NI 43-101 and therefore, the estimate should be considered reliable. Although there is no mineral resource category stated in the report, the authors considered that the entire volume would conform to the Inferred Mineral Resource category under the CIMM and NI 43-101 guidelines.

“In 1996, Meridian Gold Inc. was introduced to the property and drilled an additional 20 diamond drill holes and 3 reverse circulation holes at Johnny’s Point. Nine of these targeted the Johnny’s Point area. These holes encountered mineralized intercepts of a similar width and grade to the earlier drilling, however these were never incorporated into a resource estimate. The property was returned to the owner in 1997 due to the collapse of the gold market. Significant work programs have not been completed on the property and surrounding area from 1997 to the present.

Note: A number of holes have been drilled from the same site, thus collar symbols will overprint each other.



- Journey 2007 drill holes
- Journey 2006 drill holes
- Wave 2004 drill holes
- Atlas, Newmont and Meridian drill holes

0 1,000 2,000  
feet

0 300 600  
meters

1 : 12,000  
1 inch = 1000 feet

 *Journey Resources Corp.* 

## Musgrove Creek Project

Lemhi County, Idaho

# DRILL HOLES

Figure 4

“In late 2002, Sudbury Contact Mines Ltd. acquired the Iron Creek property located 9.6 kilometers (six miles) to the southwest and are currently exploring for gold mineralization in a geologic setting similar to the Musgrove property.

“In June 2003, Wave Exploration Corp. (Wave) entered into a lease to acquire a 100% interest in the Musgrove property. In 2003 to 2004 the company digitally compiled all drill hole data and generated a NI 43-101 compliant Technical Report (February 25, 2004) with an associated mineral resource estimate. The report recommended that a success contingent phased-type exploration program be initiated to confirm mineralization.

“Wave completed a small exploration program based on that NI 43-101 Technical Report that included:

- 2 confirmation drill holes to verify previous drill hole results,
- 2 set-out drill holes to the northwest of the identified mineral resource estimates
- A geochemical soil sample grid over the present and prospective ground to the northwest.

“The results of the 2004 exploration program were compiled into a new NI 43-101 Technical Report (August 30, 2004) and were very encouraging. They included:

- Positive confirmation of the previous drilling
- A possible extension of, or a new mineralized zone, to the northwest of the present mineral resources,
- A large geochemical anomaly (arsenic and gold) that extends to the northwest of the present drilling.

“Wave did not complete any further work on the property and in November 30, 2005 optioned the property to Journey Resources Corp.”

All drill holes in the main project area, including those drilled by Wave in 2004 and Journey in 2006 and 2007 are shown on Figure 4 “Drill Holes”.

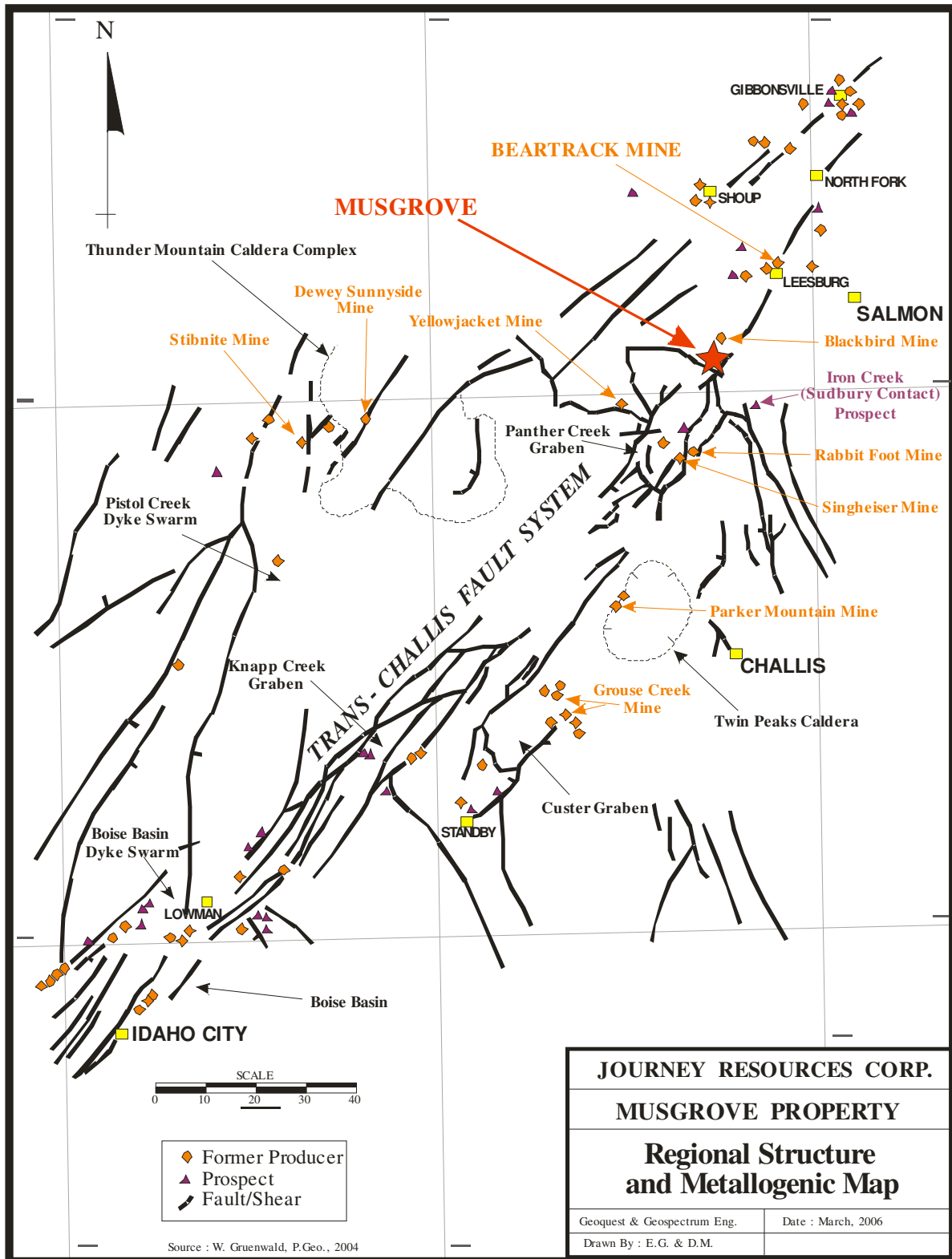
## **7. Geological Setting**

The information in this Section 7 is extracted directly from Makepiece and McClave, 2006: (Figure numbers in the extracted text will not match those in this report.)

### **7.1 Regional Geology**

“The Musgrove Creek property is one of many mineral deposits that occur within a major northeast-southwest-trending structural zone known as the Trans-Challis Fault System (see Figure 5). This System is a loosely mapped and defined structural zone containing many parallel and en echelon faults, not a single mappable structure. It hosts the Meridian Gold’s Beartrack Gold Mine and other historic producers to the northeast of the Musgrove Creek property and Hecla Mining Co.’s Grouse Creek Mine and other past producers to the southwest including placer operations in the Boise Basin (see Figure 1 and 3). This zone is just a portion of a much larger northeast-southwest-trending structurally controlled metallogenic belt that has been

Figure 5



referred to in literature as the Idaho-Montana Porphyry Belt. This Belt extends from Silver City in southwestern Idaho to the Zortman-Landusky gold district in Central Montana. It hosts much of the metallic mineralization in the Northwestern United States. One of the dominant rock units in the area includes metamorphosed fine-grained sediments of the Precambrian age Apple Creek Formation (formerly thought to be the somewhat older Yellowjacket Formation). These rocks are unconformably overlain by Tertiary Challis Volcanics. Both Cretaceous and Tertiary intrusives are common in the region, and are associated with the Idaho Batholith and the Trans-Challis Fault System.”

## **7.2 Local and Project Geology**

“The dominant host rock for mineralization at the Musgrove property is the 2000-meter thick sequence of slightly metamorphosed middle Proterozoic siltites and argillites formerly known as the Yellowjacket Formation, but now recognized as the slightly younger Apple Creek Formation (Evans & Green, 2003 and Link, P.K., Winston, D. and Boyack, D., 2003).

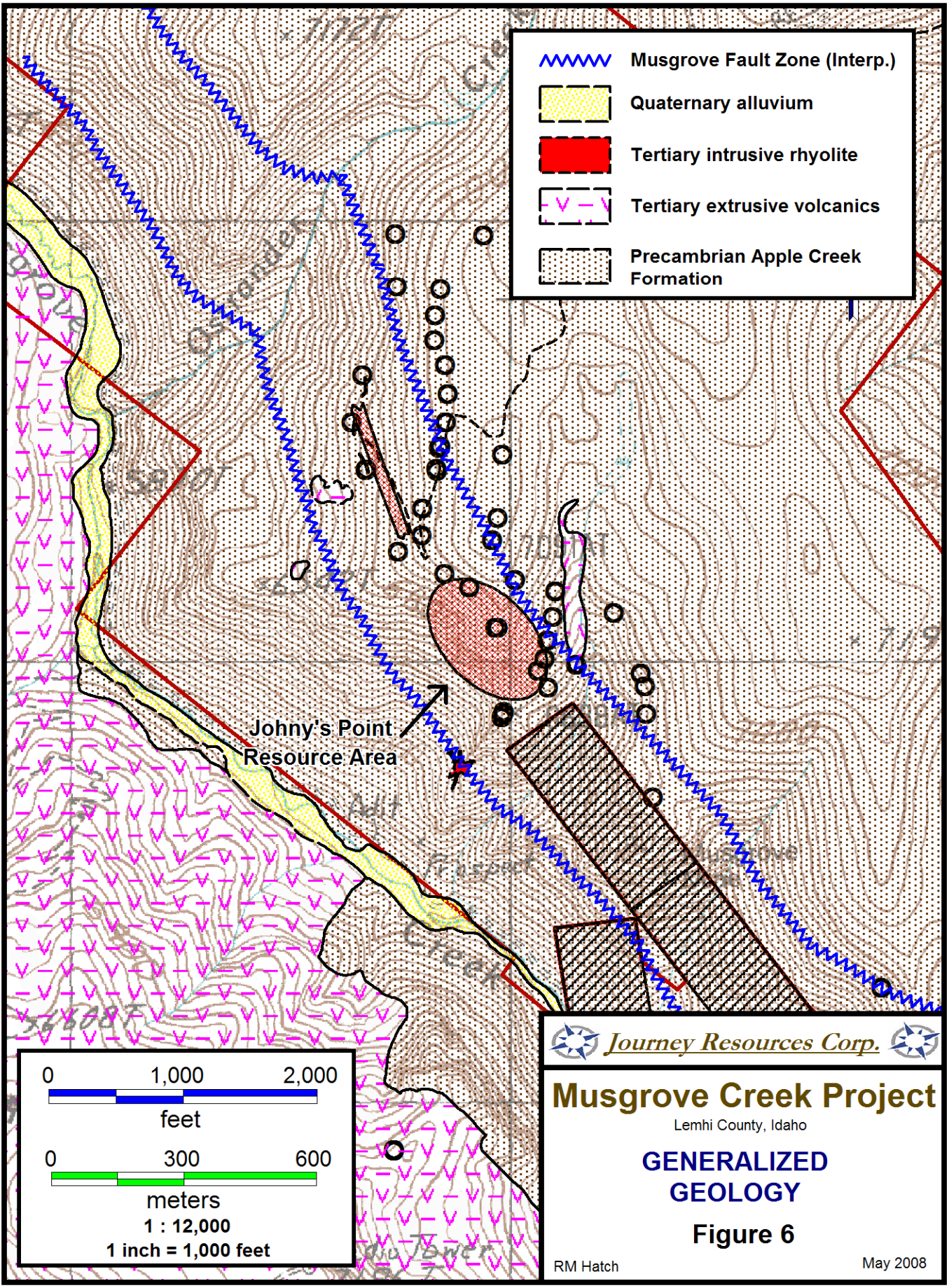
“The specific unit within the Apple Creek Formation at the Musgrove Deposit is the informal “Banded Siltite,” a monotonous sequence of centimetre-scale beds of light gray quartzose siltites and fine-grained sandstones that consist mostly of quartz, clay and muscovite and alternate with thin laminated dark gray to black argillite composed of clay, fine grained biotite and carbonaceous material. These rocks are locally metamorphosed to biotite and muscovite phyllites or, even more locally, to schist. Foliation, while generally parallel to original bedding (strike - N 35° W, dip - 35° NE), sometimes completely transposes bedding along shears or axial planes. The areas of increased metamorphism are always associated with major fault zones.






“The Challis Formation (48 to 40 million year) consists of rhyolite to dacite ash flows, tuffs, and lavas, with interbedded fine to coarse-grained volcanic sediments. In the Musgrove area these rocks occur mainly in the Panther Creek Graben where they unconformably cover faulted and folded Proterozoic Apple Creek Formation rocks.

“Intrusive igneous rocks are uncommon on the Musgrove Creek property but occur as quartz-eye rhyolite porphyry exposed at the Musgrove Mine and as float west of “Johnny’s Point”; similar extrusive equivalents of these intrusives occur in flat lying volcanic flows that cover areas of “Porphyry Ridge” to the south of Musgrove Creek (see Figure 2) and blanket portions of the upland to the northeast of the project area. These are members of the Tertiary Challis volcanics. A large intrusive is postulated beneath Johnny’s point, based on magnetic data (Arkell, B.W. and Krasowski, D., 1995), and may have been related genetically to the mineralization. However, the quartz-eye porphyry float is only rarely mineralized.”

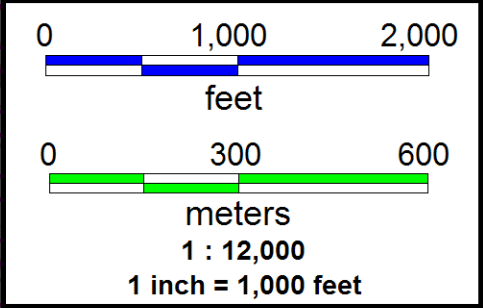
## **7.3 Structure**

“Bedding within the Apple Creek Formation on the property strikes generally northwest, N 28° to 50° W, and dips to the northeast at 30° to 55°. Although foliation is generally parallel to bedding, it may vary from it in the shears within the major fault zones and may parallel the attitude of the fault or subsidiary shears within fault zones.



-  Musgrove Fault Zone (Interp.)
-  Quaternary alluvium
-  Tertiary intrusive rhyolite
-  Tertiary extrusive volcanics
-  Precambrian Apple Creek Formation

Johnny's Point  
Resource Area



 *Journey Resources Corp.* 

## Musgrove Creek Project

Lemhi County, Idaho

### GENERALIZED GEOLOGY

Figure 6

“The Trans-Challis Fault System was the first tectonic event creating an extensive zone of sub-parallel northeast trending faults over a width of 8 to 16 kilometers (5 to 10 miles) as seen in Figure 3. In the project area, these fault zones, including the Musgrove Fault Zone, are manifested by faults along Panther Creek, Ostrander Creek and Ludwig Gulch.

“Faulting appears to be the primary control of mineralization on the property. Most of the known ore lies along the Musgrove Fault Zone. The Zone is as much as 914 meters (3000 feet) wide and consists of series of high-angle ( $>75^\circ$ ) northwest striking faults that have been recognized along both the north and south sides of the Musgrove Creek canyon. Within the zone are low angle shears or detachments that generally parallel the foliation within the Apple Creek Formation striking N  $28^\circ$  to  $50^\circ$  W and dipping to the northeast at  $30^\circ$  to  $40^\circ$  (Arkell, B.W. and Krasowski, D., 1995). Both hydrothermal breccias and fault breccias occur within the Musgrove Creek Fault Zone.

“The other major fault on the property is the Ostrander Creek Fault that has been mapped by the U.S. Geological Survey. It extends up the valley of Ostrander Creek northeast into Ludwig Gulch. The strike is generally N  $40^\circ$  E (Evans & Green, 2003). Interpretations in structure and geochemistry to the north and west of Johnny’s Point suggest that the Ostrander Creek Fault is actually a wide zone of faulting into which a number of significant structures from the Musgrove Creek Fault have splayed or horsetailed. The Ostrander Creek Fault parallels the Panther Creek Fault to the east, both of which are part of the Trans-Challis Fault Zone.

“Other significant faults are the north-northeast striking Beehive Faults that cut the Musgrove Fault Zone at Johnny’s point, dragging foliation to the northeast and providing the locus for much of the Johnny’s Point mineralization.

“Folding is uncommon in the project area and is generally restricted to drag folds along faults. The most prominent of these is at Johnny’s Point where a strong north-easterly trending fold is present.”

## **8. Deposit Types**

The primary deposit model on the Musgrove Creek property is epithermal style gold mineralization. This is separated into the following two categories.

1. Large tonnage quartz stockwork hosted gold mineralization within the Apple Creek Formation similar to the former producing Beartrack Mine. This is the focus of the current exploration.
2. High-grade epithermal gold vein structures similar to the original Musgrove Mine situated on the Musgrove Patent Claims. These are likely to occur within or near the more extensive lower grade mineralization.

## **9. Mineralization**

Raymond Robinson, a Reno-based geologist, initially identified gold mineralization at Musgrove Creek in the late 1980's that is similar to the nearby Beartrack Mine deposit. Gold mineralization has been found along a 4.8-kilometre (3-mile) north-westerly trend and has been identified in several parallel trends. The mineralization is believed to be related to a Tertiary epithermal event where rocks of the Apple Creek Formation are the primary host for gold mineralization.

At Johnny's Point, where the current mineral resource is, gold is associated with the quartz stockwork zones and is accompanied by clay, sericite, jarosite and goethite alteration.

Gold mineralization is largely confined to quartz veins and quartz vein stockworks. The gold generally occurs as grains of less than 30 microns, although coarser gold, up to 2 mm has been noted (Krasowski and Arkell, 1995). The gold-to-silver ratio is about 1:1, and arsenic is the only significant trace element.

At least three generations of quartz veining occur, generally filling open space fractures with clear glassy white quartz, frequently with terminated quartz crystals lining vugs and/or fine cockscomb quartz. Some quartz veins have been strongly brecciated and healed, in part, with pale purple amethyst. Scepters of clear glassy quartz have been noted with a thin coating of milky white chalcedonic quartz indicative of a late, very low temperature epithermal environment.

Three types of alteration are associated with gold mineralization.

1. The main areas of gold mineralization are associated with quartz, sericite and pyrite. This type of alteration characterizes the central parts of Johnny's Point.
2. A large argillic zone made up of clay (mainly kaolinite and montmorillinite), sericite, pyrite and some quartz, envelopes the quartz-sericite-pyrite zone.
3. Along the south side of Johnny's Point and at depth, rocks exhibit propylitic alteration. This type of alteration surrounds the clay and sericite-pyrite alteration.

## **10. Exploration by Journey Resources Corp.**

### **10.1 2006**

Journey's 2006 exploration program consisted of geological mapping, rockchip sampling, soil geochemical sampling, reconnaissance examinations of the general area, and the drilling of nine rotary reverse-circulation drill holes. The drilling program is discussed in Sections 10.1, 11.1, and 12.1 below.

The soil geochemistry program consisted of a total of 275 samples that were assayed for gold and arsenic. Analytical results for gold, along with the gold results from the 2004 soil survey by Wave, are shown in Figures 7 and 8. Analytical results for arsenic, along with the arsenic results from the 2004 soil survey, are shown in Figures 9 and 10. The 2006 results delineate a WNW striking gold anomaly exceeding 25ppb Au across the southern end of the sample grid continuous with an anomaly discovered in 2004. Of interest is the change in strike from the N50W strike of the Johnny's Point resource to the N10W strike of the main Ostrander Creek anomaly to the N35W strike of the anomaly to the west (McClave, 2006). In addition, an extensive arsenic anomaly occurs farther up the ridge to the northeast of the gold anomaly that may be a pathfinder for gold or cobalt mineralization at depth (McClave, 2006).

## **10.2 2007**

Journey's 2007 exploration program consisted only of drilling 5 core holes as a partial follow-up on results from the 2006 drilling program. The 2007 drilling is discussed in Sections 10.2, 11.2, and 12.2 below.

## **10.3 Early 2008**

The author has spent considerable time in early 2008 assembling project data into a GIS (MapInfo) database. The base map for all prior work has been the USGS 7.5' quadrangle "Blackbird Creek", and a number of issues relating to accurate positioning of data (land, geochemistry, drill holes, geology) have been noted. The project is at a sufficiently advanced stage that a quality orthophoto with topo is advised such that all data can be positioned properly.

# **11. Drilling**

## **11.1 Reverse-Circulation Drilling 2006**

This program consisted of drilling 8 holes from pads along a previously reclaimed drill road that extended north of 2 holes drilled by Wave in 2004 (MG-04-40 and 41), and 1 hole from the top of the ridge. Two of the holes, MG-06-43 and 44 were drilled from the same sites as MG-04-40 and 41, respectively. The purpose was to test for extensions of the mineralization discovered in 2004, and to test a soil geochemical anomaly along the projection of this zone. Figure 11 shows the locations of these holes in detail.

In early June 2006, Dahle Construction of Salmon re-opened the drill roads, constructed the pads, and dug the sumps. Diversified Drilling Company of Missoula, Montana mobilized a track-mounted, DLD-1200 RVC rig to the property on June 17<sup>th</sup>. Due to a number of mechanical problems and other delays, drilling wasn't finished until the end of September. The drill had difficulties in the final 500 feet of each hole, and the rods were stuck and lost on the first hole. It is believed that the interchange was faulty and (apparently) the compressor wasn't working properly. This resulted in milling the cuttings while they were at the bottom of the hole instead of blowing them out, generating an enormous amount of fines and possibly resulting in some high-grading of the sample due to gold settling out as the fines were being washed or blown away (McClave, 2006).

Significant assay intervals are shown in Table 1 below.

<b>Table 1. 2006 Significant Drill Hole Assay Intercepts</b>				
<b>Hole #</b>	<b>Interval (feet)</b>	<b>Length (feet)</b>	<b>Au ppm</b>	<b>Au oz/ton</b>
<b>MG-06-42</b>	135 - 150	15	0.98	0.029
	895 - 900	5	2.39	0.070
<b>MG-06-43</b>	110 - 115	5	1.52	0.044
	155 - 160	5	5.99	0.175
	180 - 185	5	1.225	0.035
	355 - 360	5	1.3	0.038
	500 - 510	10	5.05	0.147
<b>MG-06-44</b>	95 - 110	15	2.97	0.087
	375 - 380	5	8.36	0.244
	485 - 500	15	2.19	0.064
	815 - 820	5	2.22	0.065
<b>MG-06-45</b>	390 - 395	5	21.1	0.615
	615 - 640	25	1.22	0.036
	865 - 870	5	1.15	0.034
	905 - 995	90	0.43	0.013
<b>MG-06-46</b>	50 - 60	10	0.78	0.023
	170 - 180	10	1.99	0.058
	255 - 260	5	5.53	0.161
<b>MG-06-47</b>	270 - 275	5	2.98	0.087
<b>MG-06-48</b>	390 - 395	5	1.34	0.039
	425 - 430	5	2.76	0.081
	595 - 600	5	1.75	0.051
<b>MG-06-49</b>	685 - 690	5	1.57	0.046
	695 - 700	5	1.45	0.042
<b>MG-06-50</b>	325 - 330	5	0.67	0.020
	345 - 350	5	3.91	0.114

McClave, 2006 noted that gold content in these drill holes does not correlate well with any particular style of mineralization or alteration. Some wide quartz veins and stockworks were virtually barren of gold while in other areas, rock that seemed only poorly pyritized contained significant gold. This is quite different from the results obtained at Johnny's Point where significant values nearly always contained substantial amounts of vein quartz. Based on these results, McClave recommended using a diamond drill for future drilling to obtain higher quality samples and to acquire superior geological data.

## 11.2 Core Drilling 2007

The purpose of the 2007 drilling program was to continue to test the main portion of the Ostrander Creek gold-in-soil anomaly delineated in 2004.

Journey bought their own diamond drill rig during the summer of 2007, and mobilized the rig and crew to the project in late September, 2007. Five NC-sized holes totaling 908 m (2979 ft) were drilled from 3 sites along a road constructed down-slope and west of the 2006 drill holes. Drill holes MG-07-51, 54 and 55 were all drilled from the south-most site. MG-06-51 was drilled due west at a -50 degree inclination, MG-07-54 was vertical, and MG-07-55 was a short re-drill of the top 115 feet of MG-07-51 due to very poor core recovery. MG-07-52 and 53 were also drilled due west at -50 degrees. Figure 11 shows the locations of these holes in detail.

The core was brought down from the project on a daily basis by the drilling crew and stored in the garage of a house in Cobalt that Journey rented for the season. It was then transported by this author two to three times a week to a warehouse in the town of Mackay where all logging and sampling was conducted. The logging process included washing the core, recording recovery and RQD measurements, photographing with a digital camera, and geological logging.

Significant assay intervals are shown in Table 2 below.

<b>Table 2. 2007 Significant Drill Hole Assay Intercepts</b>				
<b>Hole #</b>	<b>Interval (feet)</b>	<b>Length (feet)</b>	<b>Au ppm</b>	<b>Au Oz/ton</b>
<b>MG-07-51</b>	<b>102.3 -112.3</b>	<b>10</b>	<b>0.54</b>	<b>0.016</b>
	<b>190 - 195</b>	<b>5</b>	<b>0.34</b>	<b>0.010</b>
	<b>250 - 255</b>	<b>5</b>	<b>22.10</b>	<b>0.645</b>
	<b>Re-assay same pulp</b>		<b>21.8</b>	<b>0.637</b>
	<b>Re-assay new pulp</b>		<b>14.70</b>	<b>0.43</b>
<b>MG-07-52</b>	<b>232 - 237</b>	<b>5</b>	<b>0.43</b>	<b>0.013</b>
	<b>257 - 262</b>	<b>5</b>	<b>0.36</b>	<b>0.010</b>

	<b>307 - 312</b>	<b>5</b>	<b>0.48</b>	<b>0.014</b>
	<b>357 - 367</b>	<b>10</b>	<b>0.37</b>	<b>0.011</b>
<b>MG-07-53</b>	<b>77 - 97</b>	<b>20</b>	<b>0.55</b>	<b>0.016</b>
	<b>107 - 113</b>	<b>6</b>	<b>0.51</b>	<b>0.015</b>
	<b>177 - 187</b>	<b>10</b>	<b>0.47</b>	<b>0.014</b>
	<b>232 - 237</b>	<b>5</b>	<b>14.25</b>	<b>0.416</b>
	<b>Re-assay same pulp</b>		<b>10.9</b>	<b>0.318</b>
	<b>Re-assay new pulp</b>		<b>7.05</b>	<b>0.206</b>
	<b>347 - 352</b>	<b>5</b>	<b>0.34</b>	<b>0.010</b>
	<b>467 - 472</b>	<b>5</b>	<b>0.54</b>	<b>0.016</b>
	<b>542 - 547</b>	<b>5</b>	<b>0.69</b>	<b>0.020</b>
<b>MG-07-54</b>	<b>289 - 294</b>	<b>5</b>	<b>1.86</b>	<b>0.054</b>
	<b>369 - 374</b>	<b>5</b>	<b>0.40</b>	<b>0.012</b>
	<b>439 - 444</b>	<b>5</b>	<b>0.61</b>	<b>0.018</b>
<b>MG-07-55</b>	<b>88 - 108</b>	<b>20</b>	<b>0.59</b>	<b>0.017</b>

Although the program did not encounter ore grades and thicknesses of gold mineralization, review of the data from both the 2006 and 2007 drilling programs on x-section and plan suggests that a zone of shallow significant mineralization may lie west of the 2006 holes and east of the 2007 holes. This will be more fully discussed in Section 18 “Interpretations and Recommendations” below.

The re-assays of the higher grade intervals in MG-07-51 and MG-07-53 indicate a repeatability problem probably associated with an irregular distribution of fine free gold particles. Such particles have been reported by prior workers, and need to be taken into account when conducting analytical work for future drilling programs at Musgrove Creek.

McClave’s comment noted above that gold content does not correlate well with any particular style of mineralization or alteration was substantiated during the 2007 program. Significant thicknesses of favorable zones of quartz and pyrite stockworks were encountered that did not return significant gold values, and many of the better gold intervals do not necessarily display obvious favorable characteristics.

### **11.3 Down-Hole Surveying**

Down-hole surveys were not conducted as part of the 2006 and 2007 drilling programs.

## **12. Sampling Method and Approach**

### **12.1 Reverse-Circulation Drilling 2006**

The following is extracted from McClave, 2006:

“All holes were drilled to a 4.75 inch diameter using a conventional RVC bit with an interchange or “crossover” 1.2 m (4 ft) above the bit to return the cuttings to the pipe. Standard reverse circulation sampling procedures were followed. The sampler and the Driller’s Helper under the supervision of the author and the driller, Randy Sessions, a highly experienced driller and sampler, collected drill samples. Samples were taken each 1.5-m (5-ft) interval down the hole. Dry samples, collected in the upper portions of the holes were collected in a cyclone and split in a standard three-tier Jones Splitter. This yielded an 8:1 split with the reject collected as a duplicate. Wet samples from the deeper portions of each hole were split in a Rotary Vane Splitter with a 8:1 split with the sample being split in half with a “V” – pipe with one sample for assay, another as a duplicate.

“There were three sample streams at each drill site:

1. Each initial sample was bagged, closed with a twist wire and labeled. They were then grouped in sacks holding five or six samples each. The sacks were closed with twist wire closures and labeled. The sacks were picked up daily and hauled to a secure location in Salmon, Idaho. The sacks were then boxed on a pallet for shipment.
2. Duplicate samples were collected from each interval. The duplicates were stockpiled at the drill site.
3. A small +/- 20 to 25 cm<sup>3</sup> split was obtained from each sample at the drill site and saved in the compartment trays were examined by the author using a 7 to 45 power Bausch & Lomb zoom stereomicroscope and detailed geologic logs were prepared for each hole. The trays are presently stored in Journey Resources’ storage shed in Salmon.

“At intervals during the drilling program, Mr. Dennis Dugal or Mr. Dana Dugal trucked all the drill samples directly to the ALS Chemex laboratories in Elko Nevada for preparation and analysis.”

### **12.2 Core Drilling 2007**

After being geologically logged and marked for samples by the author on nominally 5 foot (1.5 m) intervals, the drill core was split by a helper using a hydraulic core splitter. Half of the core was returned to the core boxes, and half was bagged for assaying. Samples were assigned a number using commercially-available sample booklets, with the interval of the sample being recorded in the booklet and in an Excel spreadsheet.

## **13. Sample Preparation, Analyses and Security**

### **13.1 Reverse-Circulation Drilling 2006**

See Section 11.1 above.

### **13.2 Core Drilling 2007**

As noted above, drill core was brought down from the project by the drilling crew and put in a secure garage at a house Journey rented in the old mining town of Cobalt. The author then transported the core to a secure warehouse rented by Journey in the town of Mackay, which is about 97 km (60 mi) south of Challis. After sampling the core in the warehouse, samples were put in transport sacks, palletized, and shipped to ALS Chemex in Elko Nevada by commercial trucking company or picked up by ALS Chemex personnel.

The samples were prepared in the Elko laboratory using industry-standard procedures, and the pulps were then sent by ALS Chemex to their laboratory in Reno for analysis. Gold was determined by ALS Chemex method Au-AA23, which is a fire assay with atomic absorption finish, and samples exceeding 10 ppm gold were re-run using method Au-GRA21, which is a fire assay with a gravimetric finish. Silver was determined by ALS Chemex method Ag-AA45, an atomic absorption method. The two samples noted in Table 2 as having multiple assays were first re-run by using method Au-GRA22, which is a 50 gram fire assay with a gravimetric finish. A second pulp for each of these two samples was then made from the rejects, and these pulps were then assayed for gold by the same Au-GRA22 method.

## **14. Data Verification**

The drill sample analytical work for both the 2006 and 2007 programs did not include blank or duplicate samples for quality control (QC). Internal QC protocols of ALS Chemex were relied on for quality control. As noted above, two higher-grade samples from the 2007 program were re-assayed twice to help determine repeatability.

## **15. Adjacent Properties**

As noted earlier, the Beartrack Mine, a large-scale epithermal gold deposits, located 19.3 km (20 mi) to the northeast of the Musgrove property, yielded approximately 20,200 kg (650,000 ounces) of gold between 1994 and 2000. Musgrove is geologically very similar to Beartrack, and it is envisioned that an open-pit and heap leach mining operation as used at Beartrack would also be used at Musgrove if it were to be mined.

## **16. Mineral Processing and Metallurgical Testing**

Journey Resources Corp. has not conducted any mineral processing or metallurgical test work on rocks from the Musgrove Mine property.

## **17. Mineral Resource and Mineral Reserves Estimate**

Gruenwald and Makepiece, 2004, provide an Inferred Mineral Resource estimate at the Musgrove deposit of 8 million tonnes at 1.22 g/t Au. (0.036 oz/T), using a cutoff grade of 0.8 g/t Au (0.023 oz/T). This 43-101 compliant resource totals 9,761 kg (313,822 oz) of gold at zero dilution.

## **18. Other Relevant Data and Information**

No additional information or explanation is known by the author to be necessary to make this technical report understandable and not misleading.

## **19. Interpretation and Conclusions**

Review of recent drill hole data in the area northwest of Johnny's Point reveals the presence of a tangible target for near-surface, ore-grade gold mineralization located west of the 2006 drill hole pattern and east of the 2007 drill holes. This target area, referred herein as the "Johnny Northwest Target Area", is shown in plan view on Figures 3, 4 and 6 through 11. The target is suggested on a number of east-west x-sections in the area, but is best represented on x-section N4,990,490 which is included here as Figure 12.

As noted earlier, prior workers have suggested that the Johnny's Point gold mineralization occurs at the intersection of the northeast trending "Beehive Fault Zone" with the northwest trending "Musgrove Fault Zone". It is interpreted that all known mineralized areas on the north side of Musgrove Creek, including the vein at the Musgrove Mine, the Johnny's Point resource, the Johnny Northwest Target Area, and the "Just Joe" prospect area, occur along the Musgrove Fault Zone. Soil geochemistry results along Ostrander Creek, which is believed to be another significant northeast trending fault zone, suggest the intersection of the Musgrove Fault Zone and Ostrander Creek Fault Zone is a good target area for gold mineralization. However, the topography of Ostrander Creek may preclude open-pit mining in this area; thus, any mineralization found will likely have to be of sufficient grade to support underground mining methods.

Numerous workers on the project in the past, including McClave, 2006, and property owner Ray Robinson have recommended drilling the "Ludwig Basin" area, which lies between the cliff at Johnny's Point and the road along Musgrove Creek (Figure 4). The area is nearly entirely covered with rock slide debris, but is a logical place to look for additional tons to add to the Johnny's Point resource.

## **20. Recommendations**

It is recommended that Journey drill 5 diamond core holes totalling 427 m (1400 ft) as depicted on Figure 11 to test the Johnny Northwest Target area. The holes can be collared from the existing access road constructed in 2007 to access the 2007 drill sites without additional permitting. If these holes are successful and are drilled early enough in the season, Journey may

wish to try to permit and drill additional holes into this zone during the 2008 field season to help establish its size and limits. It will be desirable to conduct all necessary drilling off of the permitted access roads into this area during 2008 such that the roads and drill sites can be reclaimed before winter. Journey will need to free up this disturbance acreage in order to create access and drill sites in the Ludwig Basin area for drilling in 2009.

It is further recommended that Journey commission a quality orthophoto with topo such that all project data can be registered and positioned properly. This will serve to benefit all future exploration activity in the project area, and allow for considerably more accurate resource calculations.

Journey should plan on accessing and drilling the Ludwig Basin target area during the field season of 2009.

McClave, 2006, recommended additional work in the “Just Joe Prospect” area, located on the knob between Indian Gulch and the next gulch to the west (Joe Creek). During a two-day reconnaissance of this ridge, he found well mineralized quartz veining along with goethite, limonite and hematite are on the west side of this knob. In addition, Newmont personnel estimated a gold target here with a size potential of about 100,000 ounces that was based on I.P. results and the presence of small, but strong, gold and arsenic soil and rock geochemical anomalies. This was the reason Journey located the 10 “Joe” claims in 2006, and additional work to determine drill targets is recommended for 2008.

<b>TABLE 3. 2008 Budget Proposal</b>	
<b>Exploration Activity</b>	<b>\$ US</b>
Orthophoto and topo, including surveying and Journey’s consultant time and expenses	\$15,000
Drill Program: Exploration Drilling and Support: 1400 ft @ \$150/ft total cost	\$210,000
Geologist – drilling and other project activities for 4 months	\$45,000
Assaying	\$10,000
Field expenses, including lodging and travel	\$20,000
<b>Total Projected Costs</b>	<b>\$300,000</b>
Contingencies @ ~10%	\$30,000
<b>Total Possible Costs</b>	<b>\$330,000</b>

## 21. References

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Musgrove Creek Gold Project, June 2008 Summary Report  
Journey Resources Corp.

Date and Signature Page

Dated at Reno, Nevada this 13<sup>th</sup> day of June, 2008.

“Signed”

“Sealed”

Robert M. Hatch

## 22. Certificate

To accompany the report entitled “Musgrove Gold Project, June 2008 Summary Report”, dated June 13, 2008 for Journey Resources Corp.

I, Robert M. Hatch, do hereby certify that:

1. I reside at 80 Bitterbrush Road, Reno, Nevada 89523.
2. I am a graduate of the California State University at Fullerton with a B.A. degree in Earth Sciences (1976).
3. I am licensed to practice geology by the State of Washington, USA (LG #2050). I have practiced my profession as a mining and exploration geologist continuously since 1977.
4. I am independent of Journey Resources Corp. as defined by Section 3.5 of Companion Policy 43-101CP to National Instrument 43-101.
5. I have read the NI 43-101 and Form 443-101F1 and certify that by reason of my education and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101 and Form 443-101F1. This Report is based on my personal review of information provided by the issuer and on discussions with the issuer’s representatives. My relevant experience for the purpose of the Technical Report is:
  - a. Mining and exploration geologist, U.S.A., Australia, and New Zealand, with Homestake Mining Company (11 years).
  - b. Mining and exploration consultant, North America (20 years).
6. I spent considerable time on the Musgrove Gold Project property during the autumn of 2007 while supervising an exploration drilling program for Journey Resources.
7. I am the person responsible for the content of the Technical Report.
8. As of the date of the certificate, to best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

“Signed”

Robert M. Hatch

“Sealed”

## APPENDIX I

### Unpatented Lode mining Claims

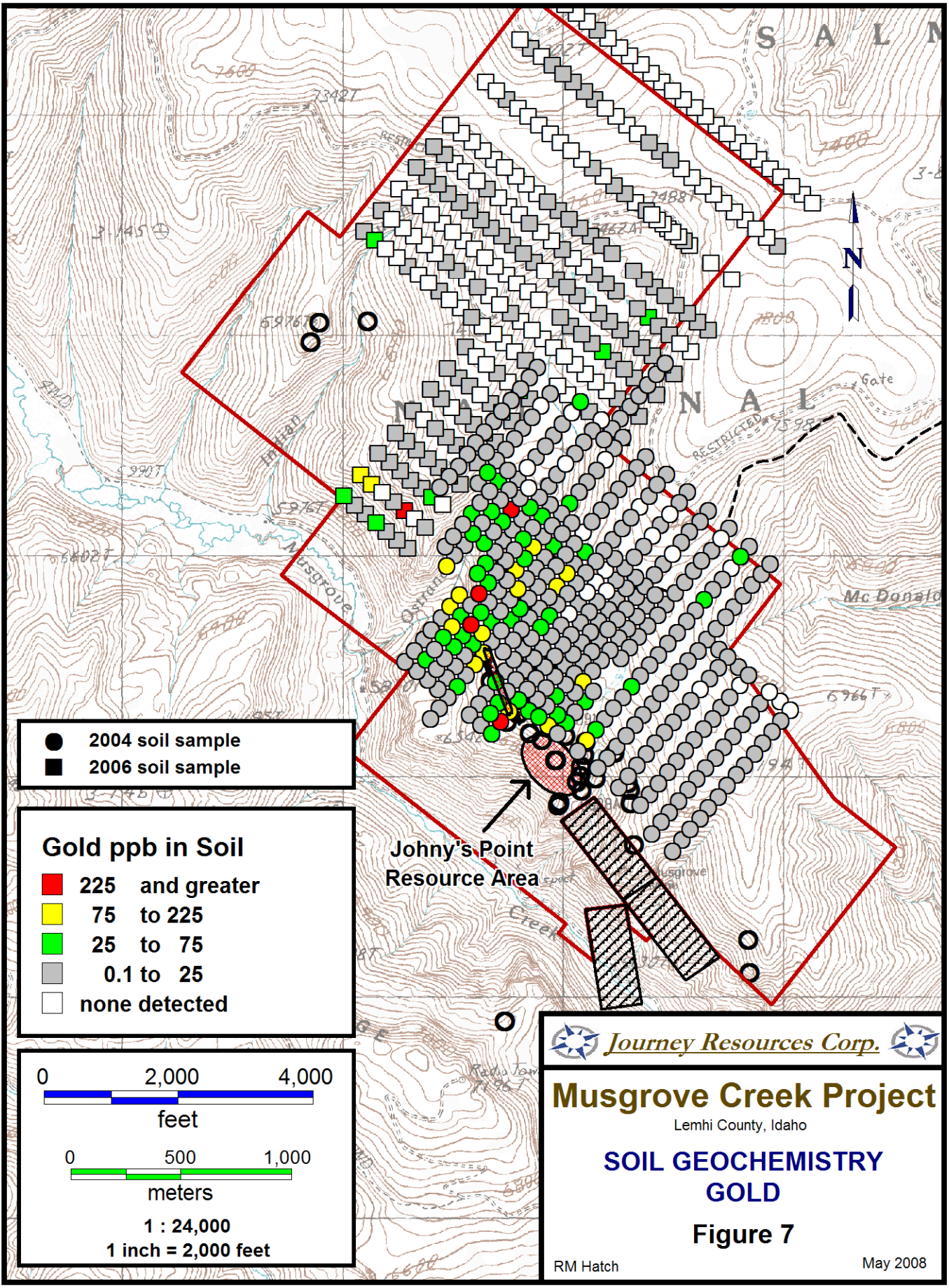
Claim Name	Claimant	BLM Serial No.	Location Date
AMAC 10	ROBINSON JEANNE E	IMC135239	June 10, 1988
AMAC 11	ROBINSON RAYMOND F	IMC135240	June 10, 1988
LEE-S #2	ROBINSON RAYMOND F	IMC104444	August 23, 1985
LEE-S #3	ROBINSON RAYMOND F	IMC104445	August 23, 1985
LEE-S #4	ROBINSON RAYMOND F	IMC104446	August 23, 1985
LEE-S #14	ROBINSON RAYMOND F	IMC104456	August 23, 1985
LEE-S #15	ROBINSON RAYMOND F	IMC104457	August 23, 1985
LEE-S #16	ROBINSON RAYMOND F	IMC104458	August 23, 1985
LEE-S #24	ROBINSON RAYMOND F	IMC104466	August 23, 1985
SAN 1	JOURNEY RESOURCES CORP	IMC186239	June 29, 2003
SAN 2	JOURNEY RESOURCES CORP	IMC186240	June 29, 2003
SAN 3	JOURNEY RESOURCES CORP	IMC186241	June 29, 2003
SAN 4	JOURNEY RESOURCES CORP	IMC186242	June 29, 2003
SAN 5	JOURNEY RESOURCES CORP	IMC186657	October 10, 2003
SAN 6	JOURNEY RESOURCES CORP	IMC186658	October 10, 2003
SAN 7	JOURNEY RESOURCES CORP	IMC186659	October 10, 2003
SAN 8	JOURNEY RESOURCES CORP	IMC186660	October 10, 2003
SAN 9	JOURNEY RESOURCES CORP	IMC186661	October 10, 2003
SAN 10	JOURNEY RESOURCES CORP	IMC186662	October 10, 2003
SAN 11	JOURNEY RESOURCES CORP	IMC186243	June 29, 2003
SAN 12	JOURNEY RESOURCES CORP	IMC186663	October 10, 2003
SAN 13	JOURNEY RESOURCES CORP	IMC186664	October 10, 2003
SAN 14	JOURNEY RESOURCES CORP	IMC186665	October 10, 2003
SAN 15	JOURNEY RESOURCES CORP	IMC186666	October 10, 2003
SAN 16	JOURNEY RESOURCES CORP	IMC186667	October 10, 2003
SAN 17	JOURNEY RESOURCES CORP	IMC186668	October 10, 2003
SAN 18	JOURNEY RESOURCES CORP	IMC186669	October 10, 2003
SAN 19	JOURNEY RESOURCES CORP	IMC186670	October 10, 2003
SAN 20	JOURNEY RESOURCES CORP	IMC186671	October 10, 2003
SAN 21	JOURNEY RESOURCES CORP	IMC186672	October 10, 2003
SAN 22	JOURNEY RESOURCES CORP	IMC186673	October 10, 2003
SAN 23	JOURNEY RESOURCES CORP	IMC186674	October 10, 2003
SAN 24	JOURNEY RESOURCES CORP	IMC186675	October 10, 2003
SAN 25	JOURNEY RESOURCES CORP	IMC186676	October 10, 2003
SAN 26	JOURNEY RESOURCES CORP	IMC186677	October 10, 2003
SAN 27	JOURNEY RESOURCES CORP	IMC186244	July 1, 2003

Musgrove Creek Gold Project, June 2008 Summary Report  
 Journey Resources Corp.

<b>Claim Name</b>	<b>Claimant</b>	<b>BLM Serial No.</b>	<b>Location Date</b>
SAN 28	JOURNEY RESOURCES CORP	IMC186678	October 10, 2003
SAN 29	JOURNEY RESOURCES CORP	IMC186679	October 10, 2003
SAN 30	JOURNEY RESOURCES CORP	IMC186680	October 10, 2003
SAN 31	JOURNEY RESOURCES CORP	IMC186245	July 1, 2003
SAN 32	JOURNEY RESOURCES CORP	IMC186681	October 10, 2003
SAN 33	JOURNEY RESOURCES CORP	IMC186246	July 1, 2003
SAN 34	JOURNEY RESOURCES CORP	IMC186682	October 10, 2003
SAN 35	JOURNEY RESOURCES CORP	IMC186247	July 1, 2003
SAN 36	JOURNEY RESOURCES CORP	IMC186683	October 10, 2003
SAN 37	JOURNEY RESOURCES CORP	IMC186248	July 1, 2003
SAN 38	JOURNEY RESOURCES CORP	IMC186684	October 10, 2003
SAN 39	JOURNEY RESOURCES CORP	IMC189375	March 7, 2006
SAN 40	JOURNEY RESOURCES CORP	IMC189376	March 7, 2006
SAN 41	JOURNEY RESOURCES CORP	IMC189377	March 7, 2006
SAN 42	JOURNEY RESOURCES CORP	IMC189378	March 8, 2006
SAN 43	JOURNEY RESOURCES CORP	IMC189379	March 8, 2006
SAN 44	JOURNEY RESOURCES CORP	IMC189380	March 8, 2006
SAN 45	JOURNEY RESOURCES CORP	IMC189381	March 7, 2006
SAN 46	JOURNEY RESOURCES CORP	IMC189382	March 7, 2006
SAN 47	JOURNEY RESOURCES CORP	IMC189383	March 8, 2006
SAN 48	JOURNEY RESOURCES CORP	IMC189384	March 9, 2006
SAN 49	JOURNEY RESOURCES CORP	IMC189385	March 8, 2006
SAN 50	JOURNEY RESOURCES CORP	IMC189386	March 8, 2006
SAN 51	JOURNEY RESOURCES CORP	IMC189387	March 8, 2006
SAN 52	JOURNEY RESOURCES CORP	IMC189388	March 8, 2006
SAN 53	JOURNEY RESOURCES CORP	IMC189389	March 8, 2006
SAN 54	JOURNEY RESOURCES CORP	IMC189390	March 9, 2006
SAN 55	JOURNEY RESOURCES CORP	IMC189391	March 9, 2006
SAN 56	JOURNEY RESOURCES CORP	IMC189392	March 9, 2006
SAN 57	JOURNEY RESOURCES CORP	IMC189393	March 8, 2006
SAN 58	JOURNEY RESOURCES CORP	IMC189394	March 8, 2006
SAN 59	JOURNEY RESOURCES CORP	IMC189395	March 8, 2006
SAN 60	JOURNEY RESOURCES CORP	IMC189396	March 8, 2006
SAN 61	JOURNEY RESOURCES CORP	IMC189397	March 8, 2006
SAN 62	JOURNEY RESOURCES CORP	IMC189398	March 9, 2006
SAN 63	JOURNEY RESOURCES CORP	IMC189399	March 9, 2006
SAN 64	JOURNEY RESOURCES CORP	IMC189400	March 8, 2006
SAN 65	JOURNEY RESOURCES CORP	IMC189401	March 8, 2006
SAN 66	JOURNEY RESOURCES CORP	IMC189402	March 8, 2006
SAN 67	JOURNEY RESOURCES CORP	IMC189403	March 8, 2006
SAN 68	JOURNEY RESOURCES CORP	IMC189404	March 9, 2006

Musgrove Creek Gold Project, June 2008 Summary Report  
Journey Resources Corp.

<b>Claim Name</b>	<b>Claimant</b>	<b>BLM Serial No.</b>	<b>Location Date</b>
JOE 69	JOURNEY RESOURCES CORP	IMC190202	July 6, 2006
JOE 70	JOURNEY RESOURCES CORP	IMC190203	July 6, 2006
JOE 71	JOURNEY RESOURCES CORP	IMC190204	July 6, 2006
JOE 72	JOURNEY RESOURCES CORP	IMC190205	July 6, 2006
JOE 73	JOURNEY RESOURCES CORP	IMC190206	July 6, 2006
JOE 74	JOURNEY RESOURCES CORP	IMC190207	July 6, 2006
JOE 75	JOURNEY RESOURCES CORP	IMC190208	July 6, 2006
JOE 76	JOURNEY RESOURCES CORP	IMC190209	July 6, 2006
JOE 77	JOURNEY RESOURCES CORP	IMC190210	July 6, 2006
JOE 78	JOURNEY RESOURCES CORP	IMC190211	July 6, 2006



- 2004 soil sample
- 2006 soil sample



**Gold ppb in Soil**

- 225 and greater
- 75 to 225
- 25 to 75
- 0.1 to 25
- none detected

0 2,000 4,000  
feet

0 500 1,000  
meters

1 : 24,000  
1 inch = 2,000 feet

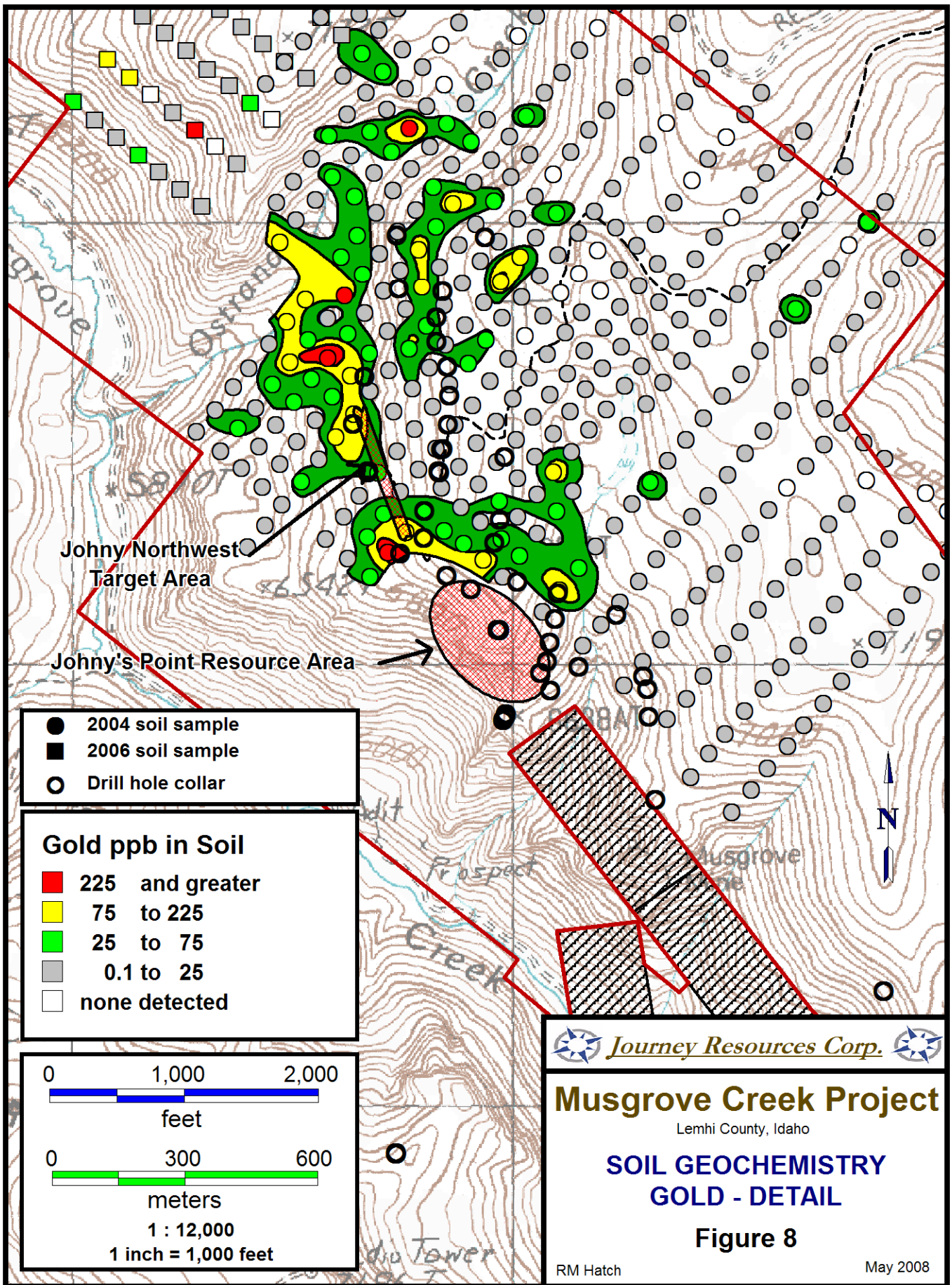
 *Journey Resources Corp.* 

**Musgrove Creek Project**  
Lemhi County, Idaho

**SOIL GEOCHEMISTRY  
GOLD**

**Figure 7**

RM Hatch May 2008

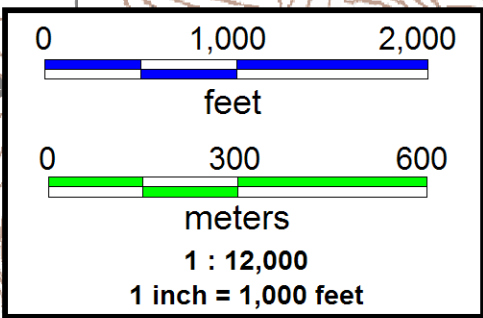


Johnny Northwest  
Target Area

Johnny's Point Resource Area

- 2004 soil sample
- 2006 soil sample
- Drill hole collar

- Gold ppb in Soil**
- 225 and greater
  - 75 to 225
  - 25 to 75
  - 0.1 to 25
  - none detected



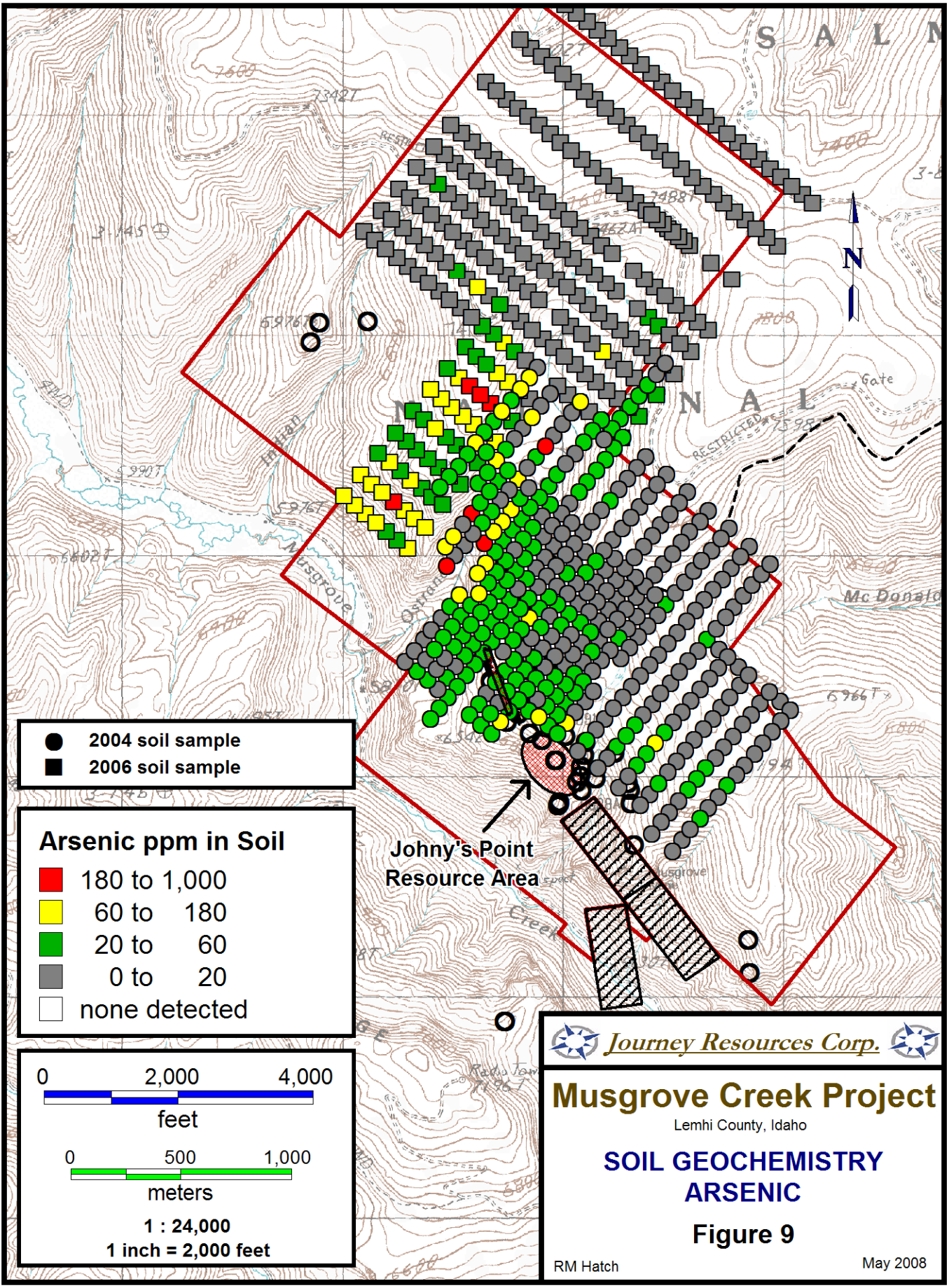
*Journey Resources Corp.*

**Musgrove Creek Project**

Lemhi County, Idaho

**SOIL GEOCHEMISTRY  
GOLD - DETAIL**

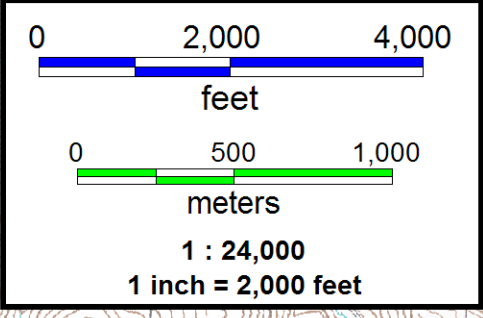
**Figure 8**



- 2004 soil sample
- 2006 soil sample

**Arsenic ppm in Soil**

Red	180 to 1,000
Yellow	60 to 180
Green	20 to 60
Grey	0 to 20
White	none detected



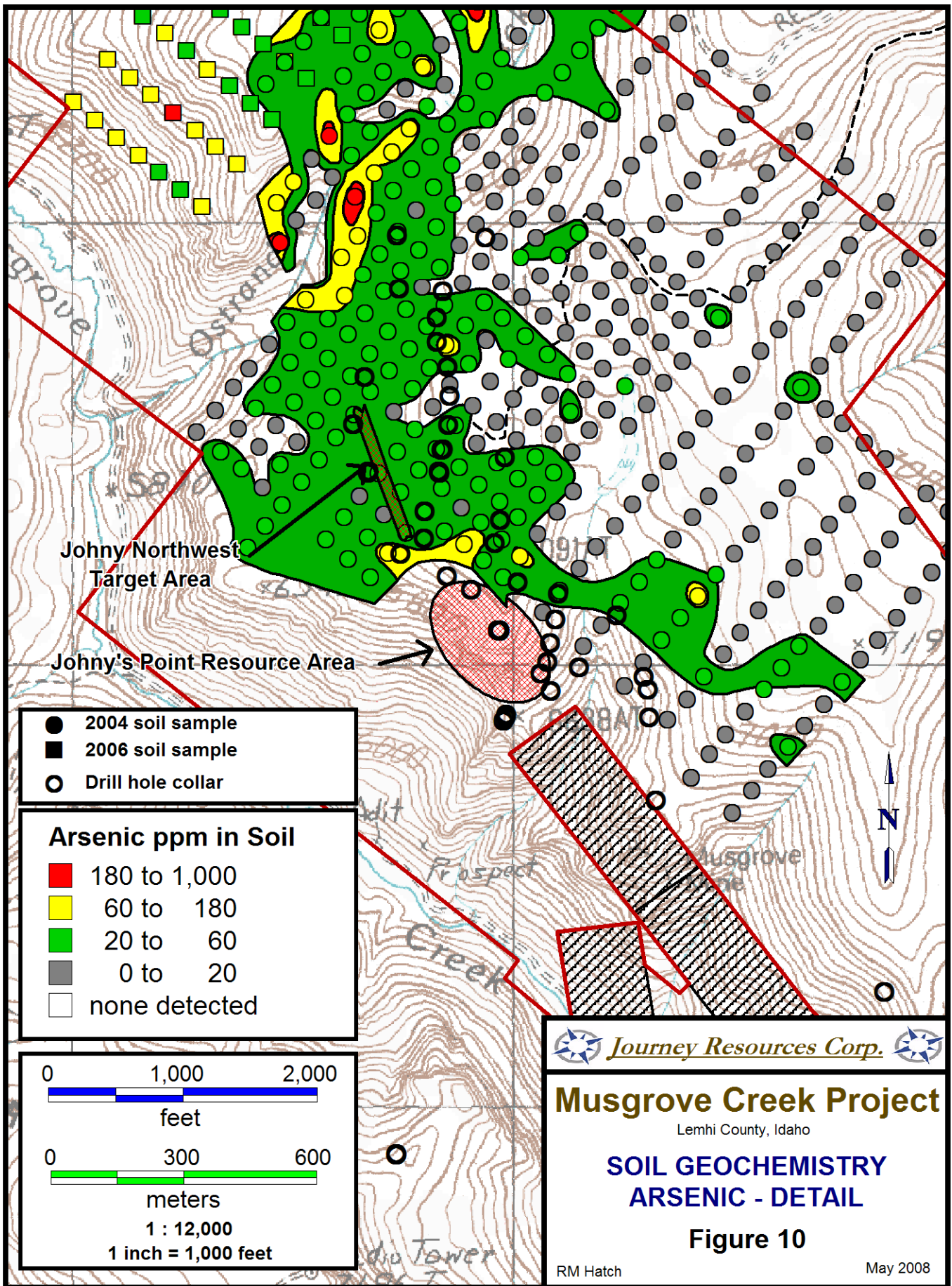
Journey Resources Corp.

**Musgrove Creek Project**  
Lemhi County, Idaho

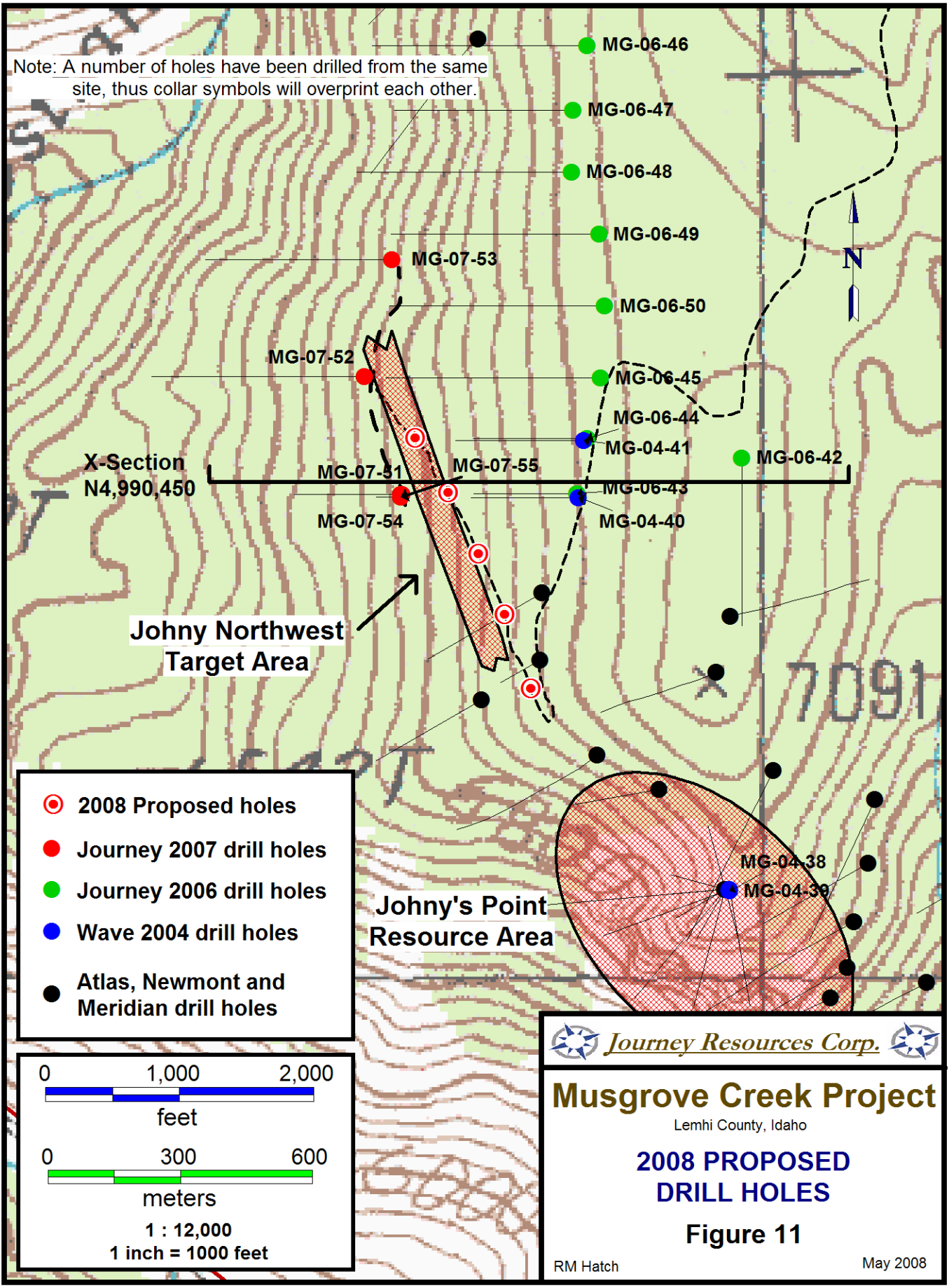
**SOIL GEOCHEMISTRY  
ARSENIC**

**Figure 9**

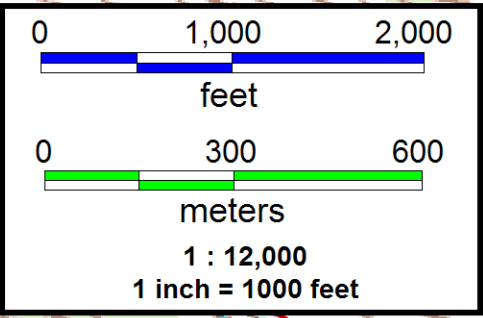
RM Hatch May 2008





Note: A number of holes have been drilled from the same site, thus collar symbols will overprint each other.



- ⊙ 2008 Proposed holes
- Journey 2007 drill holes
- Journey 2006 drill holes
- Wave 2004 drill holes
- Atlas, Newmont and Meridian drill holes

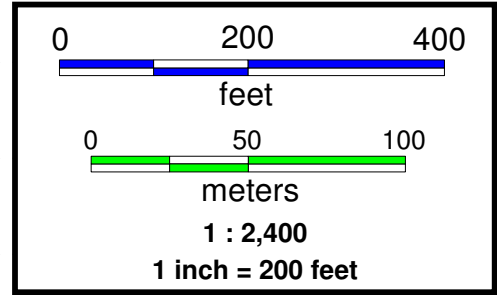
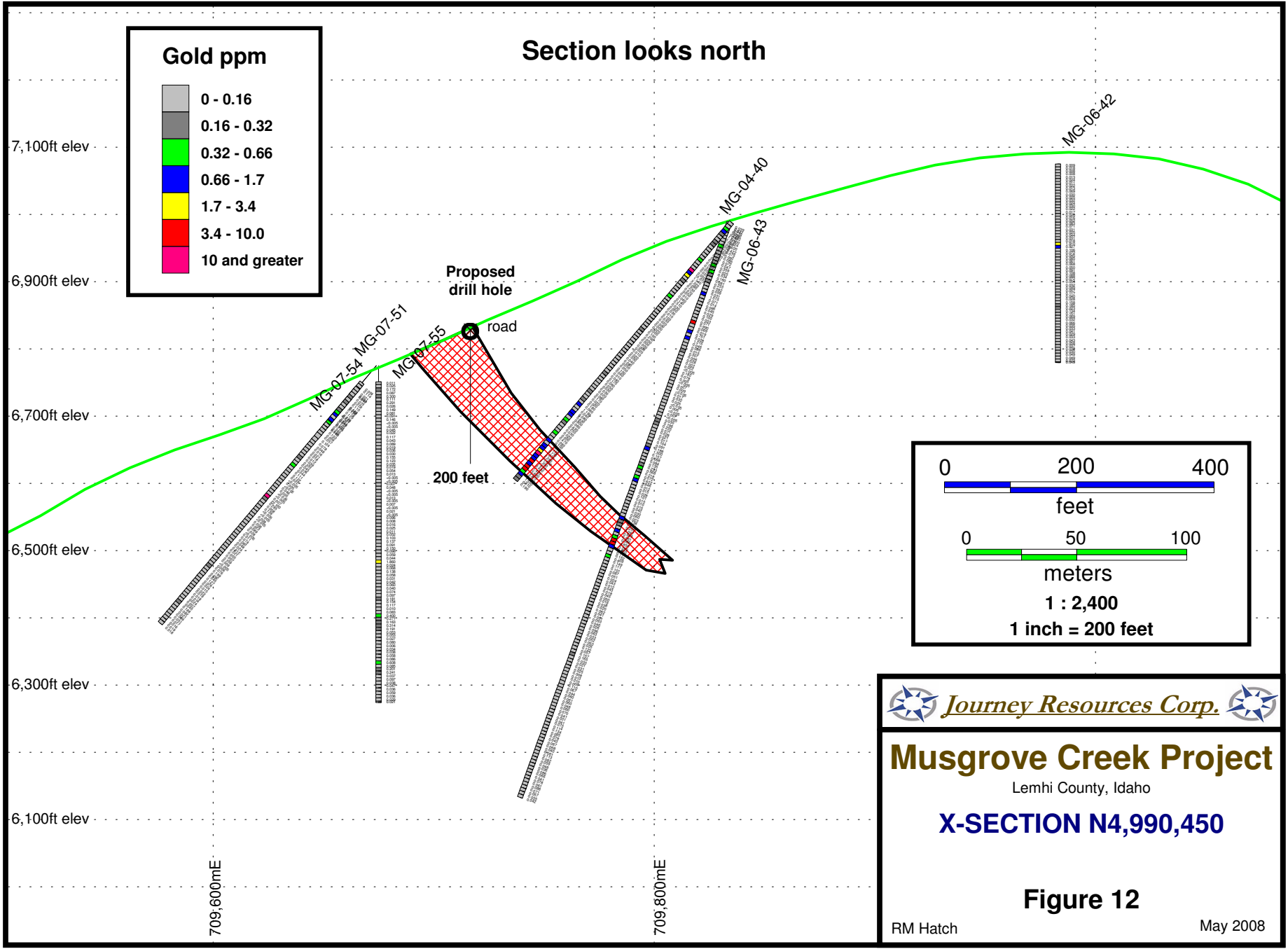
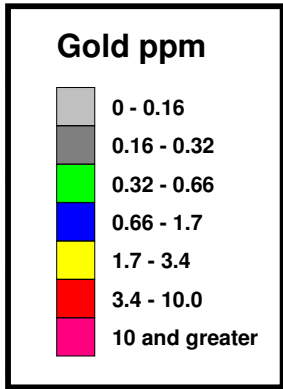





**Journey Resources Corp.**


**Musgrove Creek Project**  
 Lemhi County, Idaho  
**2008 PROPOSED DRILL HOLES**  
**Figure 11**

RM Hatch May 2008

### Section looks north




*Journey Resources Corp.*


**Musgrove Creek Project**  
 Lemhi County, Idaho  
**X-SECTION N4,990,450**

**Figure 12**

RM Hatch May 2008