# SUMMARY REPORT

# ON THE

# FLETCHER JUNCTION PROPERTY

# MINERAL COUNTY, NEVADA

**For**

***NEVADA EXPLORATION INC.***

George Cavey, P.Geo.

December 10, 2006

OREQUEST

## SUMMARY

The Fletcher Junction property is located in the Nevada portion of a mining district called the Aurora-Bodie Hills, about three miles northeast of the Nevada – California state line and about 33 miles southwest of Hawthorne, Nevada. The Fletcher Junction Project consists of 346 unpatented mining claims comprising the FJ claim group, covering approximately 10.75 square miles or 6,880 acres in Mineral County, west central Nevada (Figure 1). Pediment Gold LLC ("PGL") a wholly owned subsidiary of Nevada Exploration Inc. is currently the 100% owner of the property, subject to an underlying 1.25% NSR to a third party.

Gold ore was emplaced at the Aurora gold deposit, the Borealis gold deposit, Bodie gold deposit, and elsewhere in this part of Nevada-California during Mid-Miocene time. Long after the Mid-Miocene Au ore-forming event about 20 million years ago, a considerably younger Quaternary basalt volcanic flow covered the geologic terrain, erupting in part from the oval-shaped Aurora crater. Volcanic lavas spilled out from the Aurora Crater and covered up much of the surrounding terrain to the east and north, potentially hiding the older, Au-bearing rocks from view and obstructing discovery of additional gold deposits in the district. The Aurora Crater lies between the Aurora gold mine and the Au-bearing waters at Fletcher Junction - Fletcher Spring.

Unusual and highly anomalous water chemistry characterized by very high concentrations of gold (Au) in water was discovered in late 2004 in the Fletcher Junction area. Initial results have been further investigated in follow-up sampling as a part of the ongoing exploration program. This report describes investigations subsequent to the initial discovery at Fletcher Spring and possible source areas of the unusual water chemistry found in the area.

Gold ore occurs in the district at the Aurora gold deposit, located 3 to 4 miles south of Au-bearing spring waters at Fletcher Junction on the opposite side of a pronounced volcanic physiographic feature known as the Aurora Crater.

Anomalous gold in water at Fletcher Junction appears to be sourced from mineralization covered by young basalt flows adjacent to the Aurora mining district. Spring waters appear to flow from fracture zones in and under the basalts that may be the same fracture and fault zones that host gold mineralization. Results from additional 2005 water, rock, soil, and vegetation sampling all contribute to a growing collection of evidence to support the initial indication of gold mineralization under basalt cover at Fletcher Junction:

1. Follow up water sampling confirms the presence of highly anomalous gold in water, using the same analyses technique (ICP/mass spectrometry) that was used to make the discovery.
2. Initial gold in water analysis by mass spectrometry has been confirmed by instrumental neutron activation analysis, an alternative water analyses procedure.
3. Initial reconnaissance rock float sampling is anomalous in gold (up to 2.9 oz/ton Au).
4. Similar sizes of subangular boulders suggest a relatively short transport distance from source, indicating an upslope (under the basalt flow) source direction.
5. Initial rock float mapping indicates the mineralized boulders form a surficial veneer on top of the old pediment gravel surface, suggesting a post-pediment gravel age of formation and then erosion.

6. Fletcher Junction Spring (site 3) soil/mud sampling contains gold up to 1.2 ppm analyzed by fire assay, a third analytical technique applied confirming the presence of gold at the property. Soil results directly confirm that gold-mineralized water passed through and enriched the soils.
7. The available regional water data suggest a rapid decay of Au values away from the spring sources, providing further support that the springs are proximal to gold mineralization in an up-flow direction from the sample sites.

In the vicinity of significant gold mineralization, geochemical expression often can be observed in various geochemical sampling media. At Fletcher Junction, a strong expression of gold is observed in water, rock, soil, and vegetation. This clear expression of gold in a range of geochemical sampling media is a good indication that Au mineralization occurs nearby.

The exploration completed to date indicates there is a strong possibility that gold mineralization occurs under the old pediment alluvial terrace and/or under basalt volcanic rocks from the Aurora crater and is in the process of investigating this likelihood with a planned exploration drill program.

The Fletcher Junction Gold Property was identified through an innovative regional gold exploration program based on gold and trace element hydrogeochemistry. The very high concentrations of gold in water at Fletcher Junction spring and in adjacent seeps and springs (over 2 ppb Au in water) along with the strongly elevated concentrations of gold (2.9 oz/ton Au) in rocks indicate there may be a significant in-situ gold occurrence underneath recent volcanic cover proximal to water and rock samples. The data density in the exploration programs completed to date as well as the data reliability are both adequate for this early stage of exploration.

The completed exploration project met its intended objectives of discovering and improving the understanding of hydro-geochemical evidence for gold mineralization. Detailed work described in this report at the Fletcher Junction property has advanced the property to an exploration drilling stage of work.

The recommended Phase I work program at the Fletcher Junction property is a drill testing program to locate in-situ gold mineralization up slope from the gold-bearing springs and gold-bearing rocks identified in colluvium and alluvium at the edge of the basalt cover. Advancing to a subsequent phase is contingent on positive results in the previous phase. Estimated costs for Phase I are US$373,000.

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**INTRODUCTION AND TERMS OF REFERENCE**

This report provides an independent summary of the exploration results from the Fletcher Junction gold property in Mineral County Nevada (Figure 1).The author completed information reviews Oct 14-16th and visited the site on Oct 15th, 2006.

The material found in this technical report is an amalgamation of previous reports, program updates, consultant reports, and corporate releases available for review. There were no limitations put on the authors in preparation of this report. Reports and data were obtained from all parties. This immediate area of Nevada is well documented in the professional literature and the more pertinent papers have been reviewed and referenced. In addition, information contained in this report was assembled for water, rock, soil, and vegetation samples that were collected from the property and its surrounds and subsequently analyzed and reported as part of field programs completed from 2004 through early 2006 by the company.

All reference to currency in this report is in US dollars unless otherwise noted. All gold assays from the property exploration programs were as reported within the text and all units of measurement are identified within the text, preference being given to the metric system. References to the other mines in the area reported gold grades in oz/ton and so for continuity have been left in that format. One oz/ton (opt) is equivalent to 34.286 g/t.

The purpose of this report is to provide an independent summary of the exploration potential of the Fletcher Junction gold property in Nevada for Nevada Exploration Inc. and to support the Qualifying Transaction of the company. This report makes recommendations for further exploration to determine the extent of mineralization currently known on the property and to develop new areas of mineralization.

**RELIANCE ON OTHER EXPERTS**

Nevada Exploration requested that the author review the project and prepare a technical summary. This report has been prepared under the guidelines of National Instrument 43-101 and is to be submitted as a Technical Report to the TSX Venture Exchange (“TSX”).

The author has prepared this report based upon information believed to be accurate at the time of completion, but which is not guaranteed. Field sampling has been completed by the exploration staff of PGL, formed as the result of a joint venture between Battle Mountain Gold Exploration Corp. and Nevada Gold Exploration Solutions, LLC (“NGXS”). NGXS is the sole member, and therefore sole beneficiary, of PGL effective June 21, 2006. PGL completed field investigations, property visits, contracted claim staking, and coordinated environmental and archaeological investigations as a part of the drill program permitting process. In particular, this bulk of the information is contained in a draft NI43-101 report titled “*NI 43-101 Technical Report: The Fletcher Junction Gold Property Mineral County, Nevada, USA*” dated Aug 1, 2006 as prepared by Dr Paul Taufen.


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Figure 1

**FLETCHER JUNCTION GOLD PROPERTY**

Mineral County, Nevada

**LOCATION MAP**

BY :

DATE : October 2006

SCALE : As shown

Unfortunately, the report could not be finalized by Dr. Taufen due to his untimely death in August 2006.

The other main source of information contained in this report is from the public domain literature, and references to information sources are contained in the references section of this report.

Therefore in writing this technical paper the author has relied on the truth and accuracy presented to them from the sources listed in the Reference section of this report. At the time of the property visit, a number of the claim posts and location notices were inspected on the ground.

The company has provide a copy of a current title opinion on the property from M. Morrison, a Reno Nevada based attorney, dated Dec 8, 2006 which states that the claims are in good standing subject to certain possible prior claim overlaps and easements. More details on the possible claim overlaps can be found in the following section of this report. Furthermore, title to the Fletcher Junction property has been reviewed by management of Nevada Exploration who takes responsibility for its accuracy as summarized in a letter dated October 18, 2006.

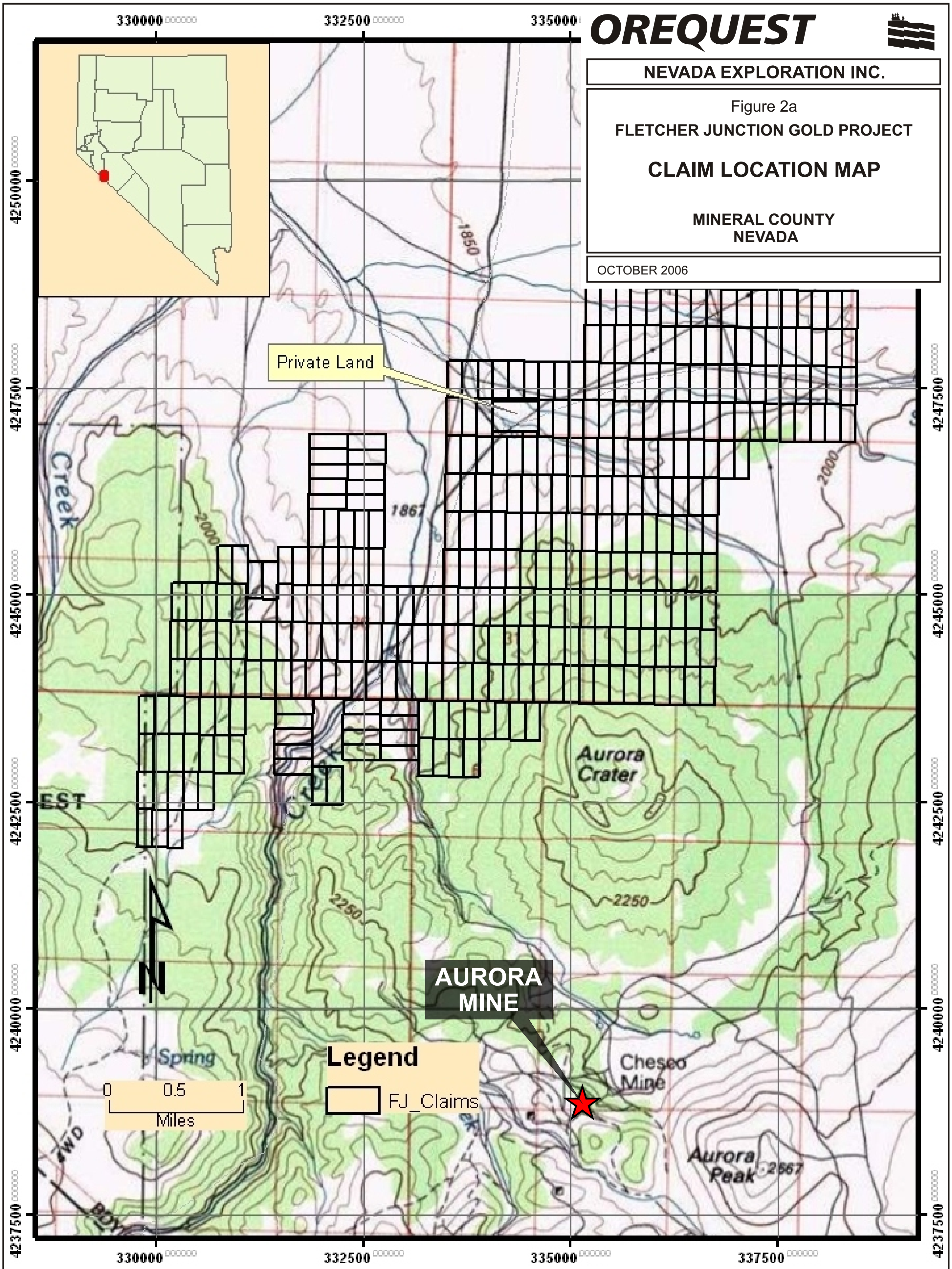
The opinions, conclusions and recommendations presented in this report are conditional upon the accuracy and completeness of the information supplied by both parties. OreQuest reserves the right, but will not be obliged, to revise this report if additional information becomes known to OreQuest subsequent to the date of this report. OreQuest assumes no responsibility for the actions of Nevada Exploration respecting the distribution of this report.

**PROPERTY LOCATION AND DESCRIPTION**

The Fletcher Junction Project consists of 346 unpatented mining claims comprising the FJ claim group, covering approximately 10.75 square miles (approximately 28.26 square kilometres) or 6,880 acres (2,784 hectares) in Mineral County, west central Nevada (Figure 1). The claim group is located at approximately $38^0$ 21’ 25” North Latitude, $118^0$ 53’ 51’ West Longitude.

The Fletcher Junction property is located in the Nevada portion of a mining district called the Aurora-Bodie Hills, about three miles northeast of the Nevada – California state line and about 33 miles southwest of Hawthorne, Nevada. The Fletcher Junction property is in the Excelsior Mountains 1:100,000 topographic map series and in the Aurora and Mount Hicks 1:24,000 topographic map sheets.

The 346 claims on the property (Figures 2a and 2b) are located on Sections 25, 26, 34, 35, 36, Township 6 North, Range 27 East, and Sections 15, 16, 17, 19, 20, 21, 22, 28, 29, 30, 31, 32, 33, Township 6 North, Range 28 East, and Sections 1, 2, 3, 10, 11, Township 5 North, Range 27 East, and Section 6, Township 5 North, Range 28 East, Mineral County, Nevada (Appendix A). The claims were staked by subcontractors under




*Map supplied by Nevada Gold Exploration Solutions LLC- 2006.*

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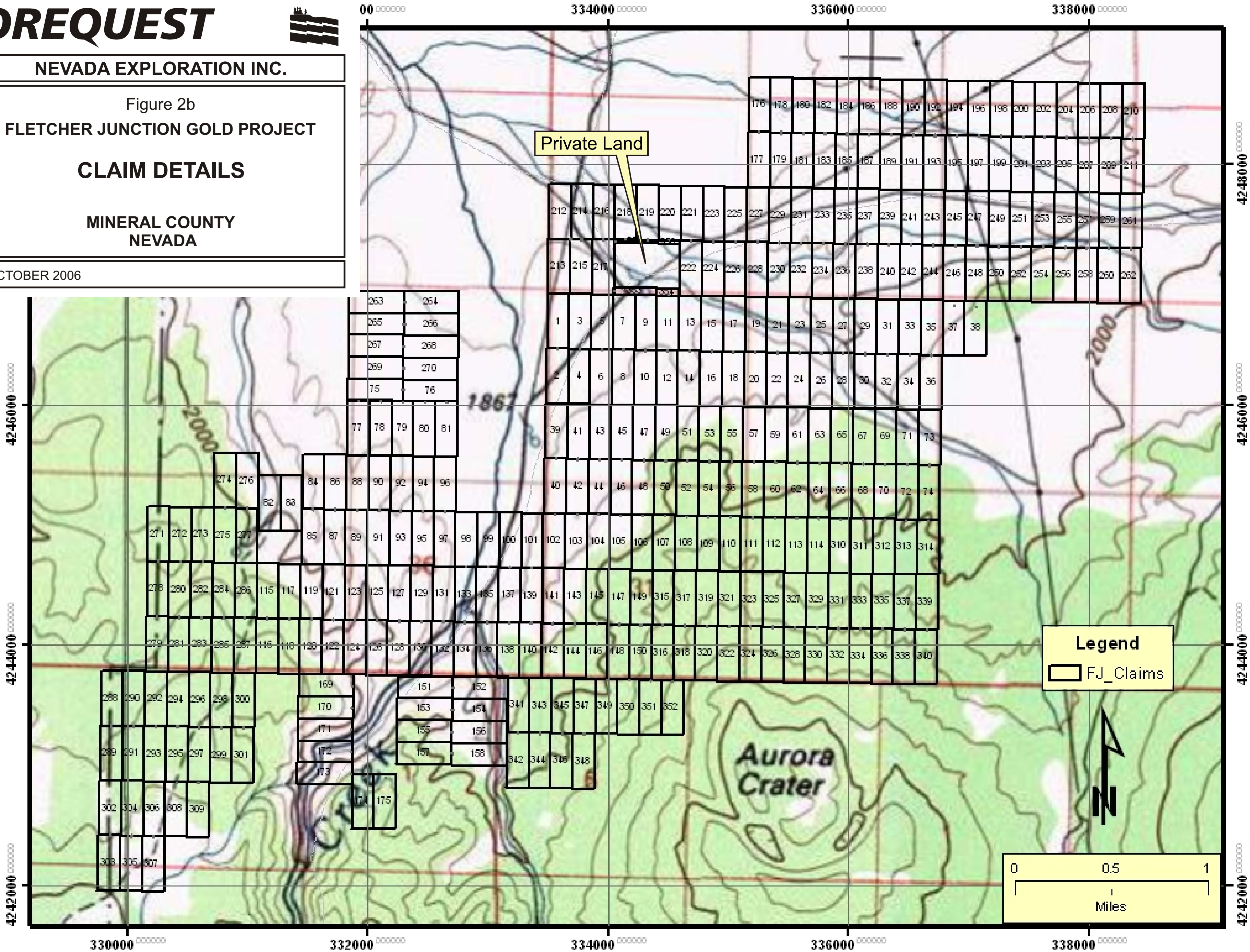
Figure 2b

**FLETCHER JUNCTION GOLD PROJECT**

## CLAIM DETAILS

**MINERAL COUNTY**
**NEVADA**

OCTOBER 2006




*Map supplied by Nevada Gold Exploration Solutions LLC- 2006.*

the guidance of the principals of PGL and were recorded with the Mineral County court house on 11 February and 5 May, 2005. A small block of privately held land exists within the company's claims. The private lands are located at the site of Fletcher Springs and although the company has not completed an option deal on the claims, the company has been granted the right to use all roads through the private land and to use the water from the springs. The private land lies in the northwest portion of the property and will not affect future exploration or development plans.

The company has provide a copy of a current title opinion on the property dated Dec 8, 2006 which states that the claims are in good standing subject to certain possible prior claim overlaps and easements. The locations of the minor claim overlaps and easements as summarized in the Dec 8 Morrison letter, are not critical to the advancement of this property. Future exploration and development could proceed without the invalid portions of the claims located on ground unavailable to mineral location entry, should a final survey ultimately determine that there is indeed an overlap. The current areas of overlap in total represent less than 1% of the total claim area. The critical areas of future exploration and the location of all the targets generated from all the previous work is not on any of the claims that are subject to possible overlaps. A legal survey will be required to officially determine the claim boundaries.

Wade Hodges, Kenneth Tullar and Paul Taufen formed Nevada Gold Exploration Solutions LLC ("NGXS") by filing the Articles of Organization with the state of Nevada on July 12, 2002 and entered into a formal Operating Agreement on February 19, 2003 a member-managed Limited Liability Company. NGXS was formed to create a gold exploration company specifically designed to discover new gold deposits in Nevada using ground water chemistry. NGXS then entered into a Joint Venture with Battle Mountain Gold Exploration ("BMGX") on June 21, 2004 and created Pediment Gold LLC ("PGL") on July 14, 2004 as a bridge company to hold the title of the JV created assets with NGXS the Managing Member. BMGX began trading as OTC BB:BMGX.OB in October of 2004. On June 20, 2006 BMGX resigned as a member of PGL in a Settlement Agreement, leaving NGXS as the sole member of PGL. The Settlement Agreement outlines the terms wherein NGXS returned 7,800,000 shares of BMGX and granted a 1.25% NSR on each of the two exploration properties, Hot Pot and Fletcher Junction, generated by the Joint Venture in return for complete control of PGL and all its assets. This report will only discuss the Fletcher Junction property.

On Oct 10, 2006 the principals of NGXS signed a Letter Proposing a Transaction wherein C Level Bio International Holding Inc. ("C-Level"), a capital pool company listed on the TSX Venture Exchange (the "Exchange") under the ticker CLV-P is to acquire all of the issued and outstanding securities of Nevada Exploration Inc. ("NXI"), which is in the process of acquiring all of NGXS's interest in PGL. Such transaction is intended to be the qualifying transaction (the "Qualifying Transaction") of C-Level as defined by Policy 2.4 of the Exchange.

The company completed a Biological Evaluation for plants and wildlife as part of the permitting process for the planned drilling program. The study determined that there were no sensitive plants in the area nor would the proposed program affect any wildlife that may inhabit the area. No endangered species of wildlife were noted in the study. In addition to the Biological Evaluation, the company also completed an anthropological study. A small number of historic anthropological sites were observed and will be avoided during the drill program. None of the identified sites appear to be sufficiently significant in size to prevent the company from completing all planned exploration or restrict any future development.

There are no known environmental liabilities associated with the Fletcher Junction property. Permitting for 20 drill sites has been completed with all sites approved for drilling on Feb 23, 2006 by the US Department of Agriculture Forest Service and the project is now in the bonding phase.

**ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY**

The property is accessed from Reno by taking US Interstate #395 south through Carson City and Gardnerville for approximately 65 miles to the junction with State Highway #208, Turn east onto State Highway #208 for approximately 11 miles to county road #338, a gravel road which ultimately ends at Hawthorne some 48 miles to the east. County road #338 passes through the northern claims approximately 15 miles east of the turnoff from State Highway #208. The access is generally good all across the current project ground although the central core of the claims contains no recent roads. Old logging skid roads from logging operation in the mid-late 1800's were noted during the site visit.

Fletcher Junction can be reached by automobile over 33 miles of combined paved and dirt roads from Hawthorne, Nevada or by 28 miles of paved and dirt roads from Bridgeport, California.

Fletcher Junction has a desert climate. Based on records from the nearest recording station at Hawthorne, Nevada, Fletcher Junction receives approximately 4 to 5 inches (10.2 to 12.7 cm) of precipitation per year, with just over half of the total precipitation as snow. The average maximum temperature is 71 $^{0}$F and the average minimum temperature is about 41 $^{0}$F. Exploration operations that require easy access and no snow cover can be completed from approximately March through November although drilling could be conducted year round except for brief periods of very heavy snowfall.

Mining personnel and staff likely would be available from the population center at Hawthorne to the east or the Carson City/Reno area to the northwest. The people in the area are friendly and mining oriented. The principal economic activities of the area are mining and mineral exploration along with ranching, tourism, a military base and related services.

A mine and mill have been operating recently at the Aurora mine, approximately five miles to the south, and electrical power is available at that site. The power substation and power line for the currently closed Aurora mine passes through the west central portion of the company's claims. The Aurora mine site has permitted tailings storage and until recently was an operating mine, and could be a suitable site for processing of ore discovered at Fletcher Junction. Further detail on the Aurora Mine is located elsewhere in this report.

The district is characterized by rolling hill and open range land. There are local flowing streams and springs. The Aurora mine used a combination of streams and well water in their mining operation. Vegetation is mostly sage brush in the valleys, with Pinion Pine typical over the basalt cover sequence at slightly higher elevation compared to the valleys. Elevation in the project area ranges from 6,100 feet (1,859 meters) in the vicinity of Fletcher Junction spring to 7,733 feet (2,357 meters) at the rim of the Aurora crater.

The property has the sufficiency of surface rights for future exploration or mining operations including potential waste disposal areas, heap leach pads areas and potential processing plant sites.

**HISTORY**

Fletcher Junction is located in the Aurora-Bodie Hills Mining District, which has been a focus of gold and silver prospecting and mining since 1859 when William Bodie discovered placer gold in the district. Significant historical gold production in the district has been from the Bodie, CA, Aurora, NV, and Borealis, NV mines (Silberman, M.L. and Chesterman, C.W., 1990). Most of the ore came from high grade deposits within 200 feet (60 meters) of the surface. During the peak of the gold rush from 1862 to 1865, the population of the town of Aurora rose to 8,000 people.

Almost $2,000,000 worth of gold and silver were produced by Goldfield Consolidated Mines between 1910 and 1920 at the Aurora gold mine.

In the Aurora mine area, M. A. Hanna Co. and Nevada Goldfields Inc. delineated a 356,000 tonne resource grading 6.3 grams/tonne in the Prospectus vein during the 1980's, and production from this vein began in 1987. Small reserves also were outlined on the Juniata and New Esmeralda veins near the Aurora mine during the 1980's. The resource estimates discussed do not follow the required disclosure for reserves and resources as outlined in National Instrument 43-101 as many were prepared prior to the effective date of NI 43-101. The historic resource figures have not been redefined to conform to the CIM approved standards as required in NI 43-101. The resource estimates have been obtained by sources believed reliable and are relevant but cannot be verified. No effort has been made to refute or confirm these estimates and they can only be described as historical estimates.

There has been no previous claim staking or mineral rights ownership at the FJ claim group, with the exception of the area immediately south of the Fletcher Spring area (by Black Rock Exploration Co. in T6N, R28E, Section 30 that was permitted with the BLM under a Notice of Intent circa 1990). The property has never been drill tested, with the exception of minor surficial evidence noted above, and there have been no historical mineral resource or mineral reserve estimates completed. There has been no production from the property.

Reconnaissance gold exploration by PGL, a joint venture between NGXS and BMGX, throughout the Nevada Great Basin in 2004 using gold and multi-element hydrogeochemistry exploration methodology led to the identification of very strongly anomalous concentrations of gold in water at Fletcher Junction spring. Confirmation sampling and follow up mapping led to the identification of other, adjacent springs with very high concentrations of gold in water, and the subsequent staking of an approximate 10.75 square mile land position as the FJ claim group on and around the gold bearing springs and adjacent prospective ground under basalt volcanic cover of the Aurora Crater.

## GEOLOGICAL SETTING

### Regional Geology

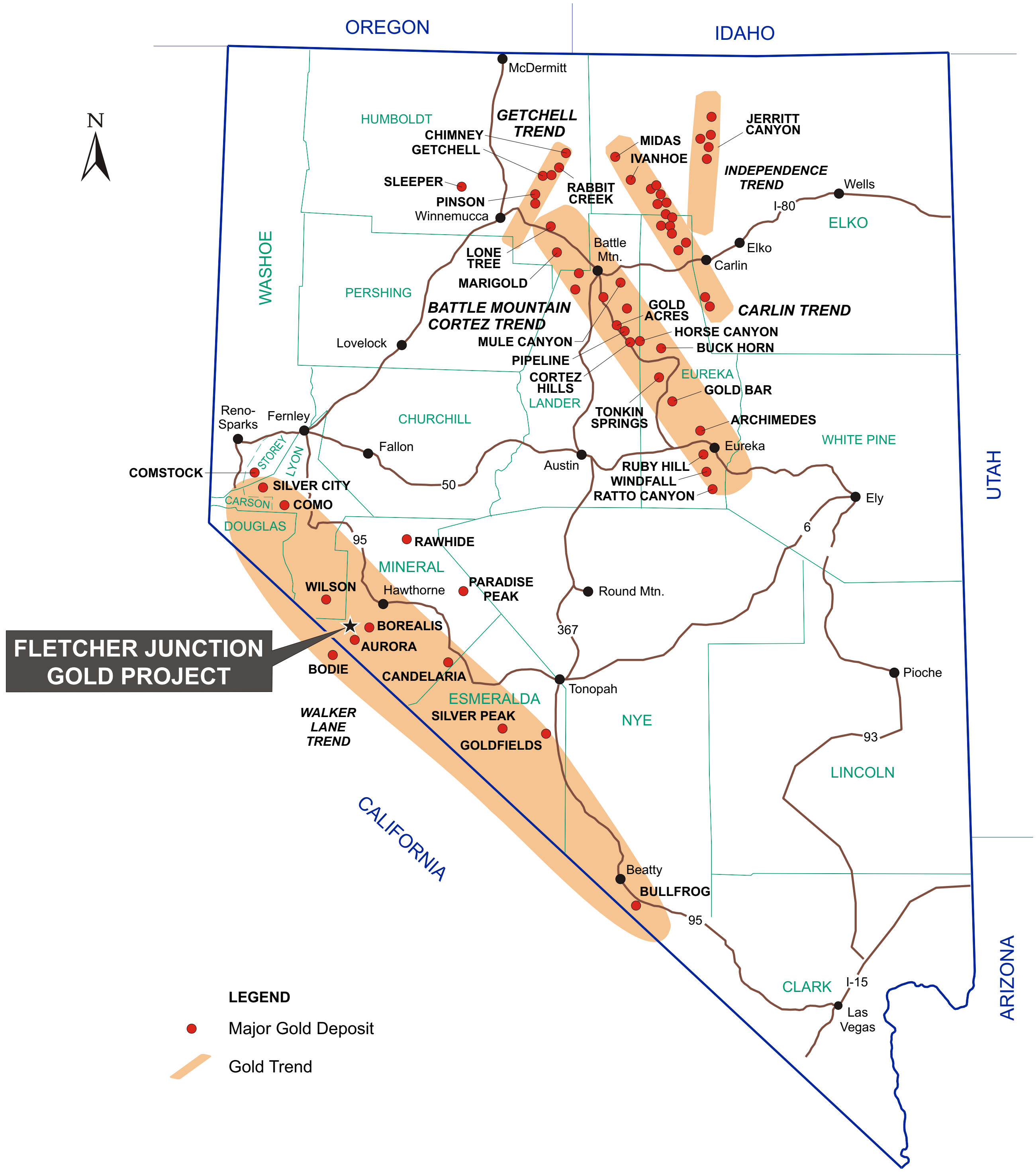
The Fletcher Junction gold property lies in the central portion of the Walker Lane gold trend (Figure 3). The Walker Lane geographical district in the southwest extreme of Nevada that extends roughly from Reno to Las Vegas, measuring approximately 600 km long by 130 km wide. The region is defined as a NW-trending structural corridor controlling numerous high and low sulphidation gold and silver deposits including Comstock, Tonapah, Rawhide, Goldfield and Bullfrog. The district around Fletcher Junction is characterized by a Mesozoic granitic and metavolcanic basement overlain by 15.4 Ma to 0.25 Ma Tertiary to recent volcanic rocks. (Figure 4) The volcanic rocks vary in composition typically from rhyolite, dacite and andesite lavas through to olivine basalt (Osborne, M., 1990).

Volcanic rocks were erupted and emplaced in the Aurora-Bodie Hills Mining District between 9.4 Ma and 8.6 Ma, based on K-Ar ages of sericite from altered tuff breccia, and hydrothermal alteration and mineralization are believed to have commenced at the end of or immediately after this time, forming the gold mineral deposits of the Bodie District. Later volcanic events are documented at 5.7 Ma, and in the eastern portion of the district at 3.6 Ma to 250,000 years (Silberman et al, 1972).

The structural history of Mineral County includes several periods of faulting and folding, including a major orogenic event that began in early Jurassic time which was also accompanied by much thrusting. Cenozoic deformation has consisted chiefly of normal faulting with some of the ranges being blocked out by these faults. It has been reported that movement along faults during earthquakes as recent as 1954 show the area is still tectonically active.

### Property Geology

In the immediate vicinity of the Fletcher Junction project, lavas from the 250,000 year old volcanic event (dated by Silberman and McKee, 1974) from the Aurora Crater dominate much of the project landscape. Long after the Mid-Miocene gold ore-forming event about 20 million years ago, a considerably younger Quaternary basalt volcanic flow




NOT TO SCALE

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Figure 3

**FLETCHER JUNCTION GOLD PROJECT**

## REGIONAL MINERALIZATION

**MINERAL COUNTY**
**NEVADA**

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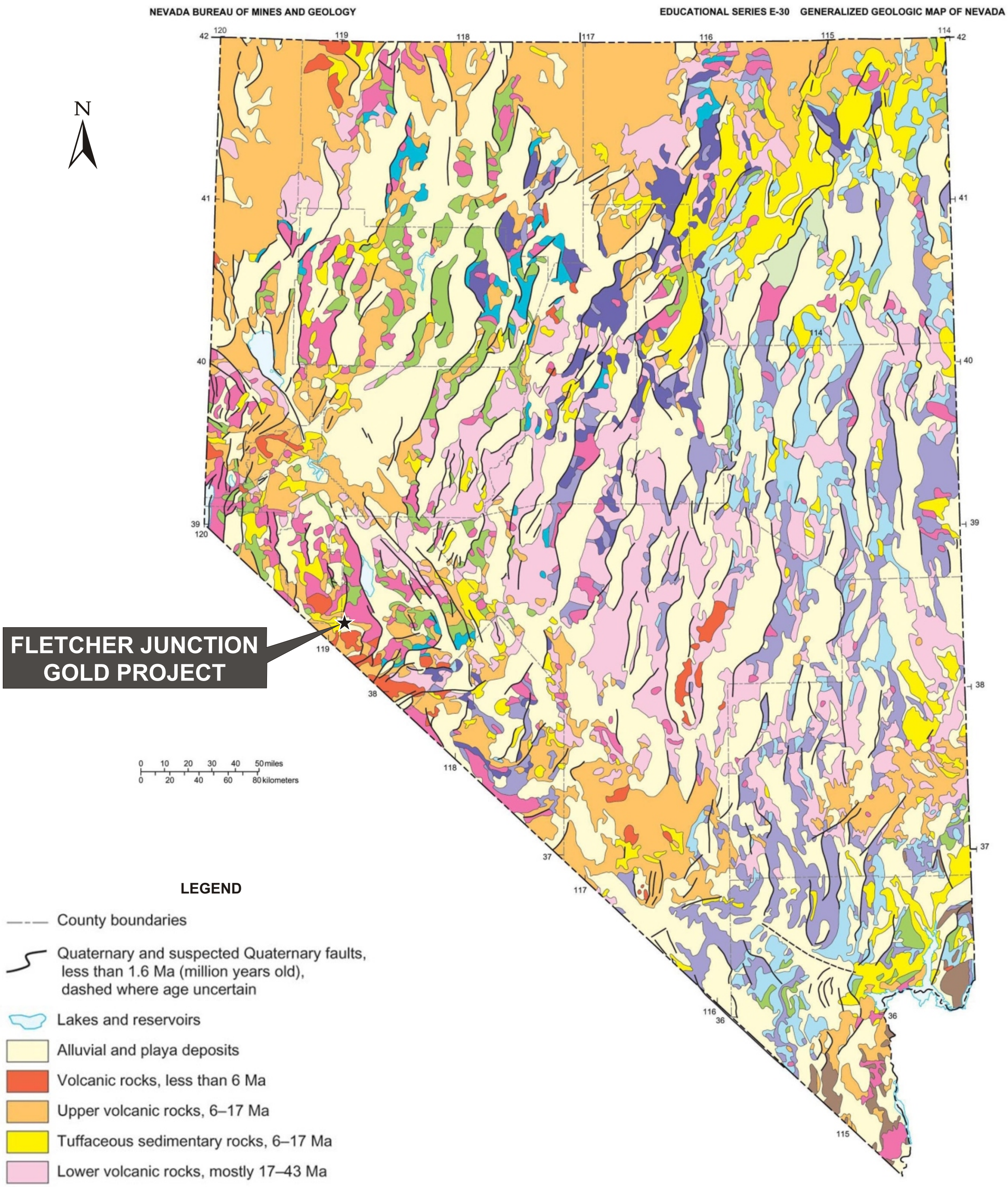


**LEGEND**

- County boundaries
- Quaternary and suspected Quaternary faults, less than 1.6 Ma (million years old), dashed where age uncertain
- Lakes and reservoirs
- Alluvial and playa deposits
- Volcanic rocks, less than 6 Ma
- Upper volcanic rocks, 6–17 Ma
- Tuffaceous sedimentary rocks, 6–17 Ma
- Lower volcanic rocks, mostly 17–43 Ma
- Intrusive rocks, Mesozoic and Tertiary
- Igneous and metamorphic complex, Jurassic or Cretaceous
- Sedimentary, volcanic, and intrusive rocks, Mesozoic
- Sedimentary and volcanic assemblage, upper Paleozoic
- Carbonate and other sedimentary rocks, upper Paleozoic
- Sedimentary and volcanic assemblage, lower Paleozoic
- Carbonate and other sedimentary rocks, lower Paleozoic and Late Proterozoic
- Metamorphic and intrusive rocks, Early and Middle Proterozoic

*Modified from Nevada Bureau of Mines and Geology Map 57, Million-Scale Geologic Map of Nevada, by John H. Stewart and John E. Carlson, 1977; and fault maps by Craig. M. DePolo, 1998.*

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Figure 4

**FLETCHER JUNCTION GOLD PROJECT**

**REGIONAL GEOLOGY OF NEVADA**

**LANDER COUNTY, NEVADA**

OCTOBER 2006 XY3

covered the geologic terrain, erupting in part from the oval-shaped Aurora Crater shown in Figure 5.

Volcanic lavas spilled out from the Aurora Crater and covered up much of the surrounding terrain to the east and north. The Aurora Crater lavas are comprised predominantly of basaltic andesite with some olivine-bearing basalts (Kleinkampl et al, 1975), and these rocks comprise what is considered to be post-mineral cover at the Fletcher Junction property. The lava cover may not be too thick; several pressure lows in the core of the lava flow contain float boulders from what may be the underlying volcanic package. In addition, several topographic highs within the lava flows are speculated to have been derived from the basaltic lava flowing over pre-existing topographic features similar to those observed in the area immediately surrounding the area of the lava flow.

**DEPOSIT TYPES**

The scientific community has over the past fifteen years, subdivided epithermal deposits into two mineralogically distinct classifications, as a result of formation in different geological settings. The two principal deposit types have different fluid sources, circulation paths, cooling histories and depositional environments.

The first system, the low sulfidation (adularia-sericite) type is formed from predominantly meteoric water convection cells, in fossil geothermal and hot spring settings within structurally extended zones. This type of system occurs commonly in areas with predominantly subaerial, silicic volcanism. Typical environments are: the continental volcanic, caldera related deposits, such as Creede Colorado; back arc extension related volcanic zones such as the Taupo volcanic zone in the North Island of New Zealand and strike-slip related transtensional continental margin settings, such as McLaughlin, California.

The second system, the high sulfidation, acid-sulphate, alunite-kaolinite type is formed from upwelling, magmatically supplied and driven, intrusion related fluid systems in stratovolcano, domes and flow dome complexes within magmatic arcs. Typical deposits are found in the young volcanic island arcs and continental-margin arcs throughout the Circum Pacific Rim, including the South American Andes. Examples include El Indio, Tambo, La Coipa and El Guanaco in Chile, the Goldfields district of Nevada and Lepanto in the Philippines.

Model sub-types have also been proposed, principally to satisfy inconsistencies and variations from the norm in specific deposits. An alkalic sub-type which commonly contains abundant telluride mineralization and locally prominent fluorine and/or vanadium rich alteration can be regarded as a variant of the adularia-sericite type. A hotsprings model sub-type with or without mercury-antimony-arsenic mineralization such as McLaughlin, California or chalcedonic sulphur-bearing fumarolic deposits in the Chilean Andes may simply represent surface manifestations of deeper epithermal deposits. A third sub-type may be low sulfidation systems with relatively abundant sulphides and sericite dominant alteration.

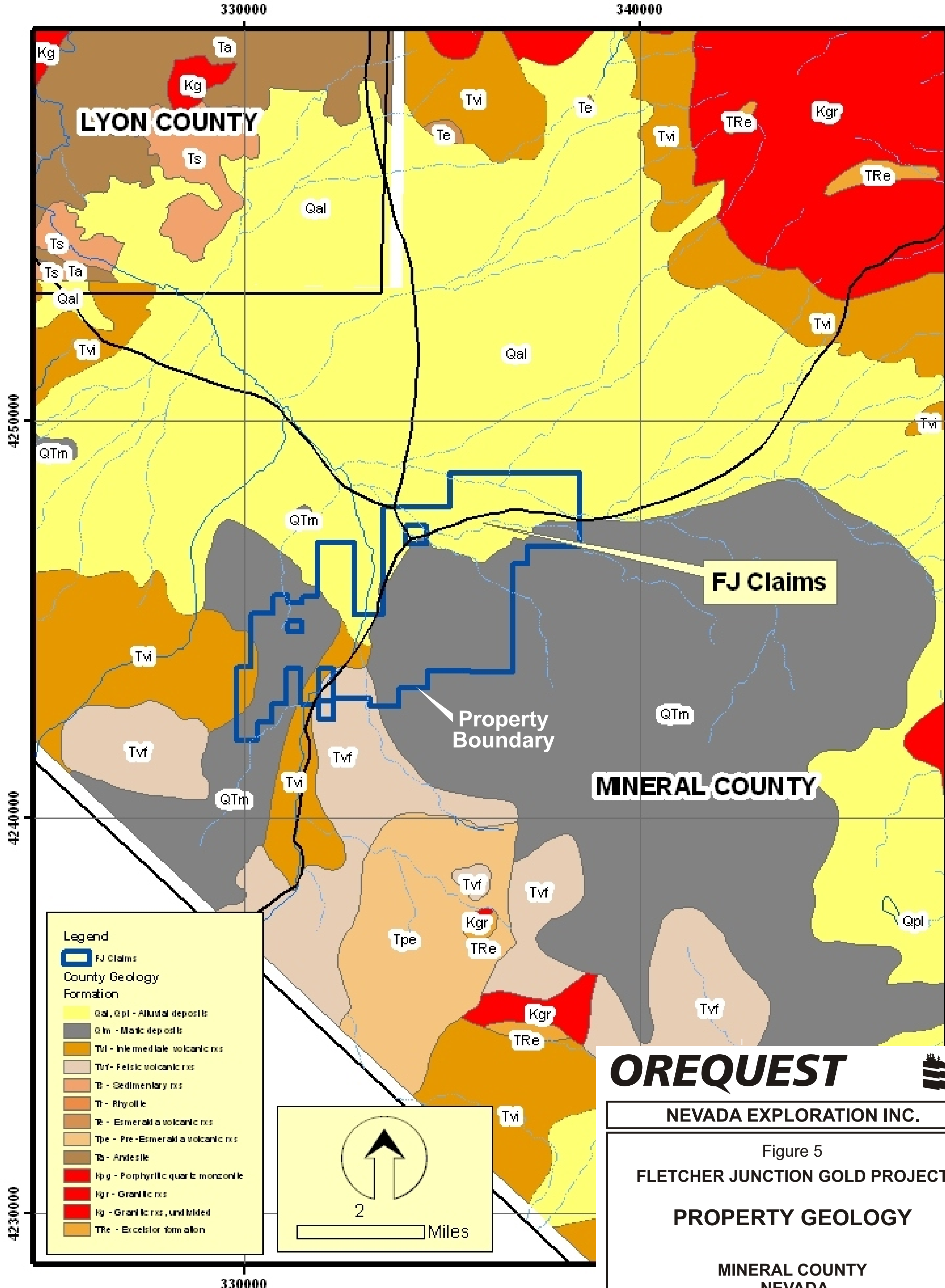


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Figure 5
FLETCHER JUNCTION GOLD PROJECT

PROPERTY GEOLOGY

MINERAL COUNTY
NEVADA

OCTOBER 2006

*Map supplied by Nevada Gold Exploration Solutions LLC- 2006.*

Table I compiled by Panteleyev (1992) and summarized by Freeze (2002) displays the characteristics of the low sulphidation (adularia-sericite) and high sulphidation (alunite-kaolinite) types of epithermal deposits.

**TABLE I- CHARACTERISTICS OF LOW AND HIGH SUPLHIDATION TYPES OF EPITHERMAL DEPOSITS**

| | **LOW-SULFIDATION** | **HIGH-SULFIDATION** |
|---|---|---|
| Other Names | low-sulphur, adularia-sericite (illite) type, bonanza type, geothermal type. | high sulphur, enargite gold, advanced argillic, alunite-kaolinite + pyrophyllite type, Nansatu-type, quartz-alunite, volcanic-hosted copper-arsenic-antimony. |
| Structural Setting | structurally complex volcanic environments, calderas, grabens, stratovolcano. | intrusive centers, caldera margins, collapse structures, breccia pipes, flow dome complexes, diatremes. |
| Age of ore and host | ages of host and ore distinct (>1 million years). | similar ages of host and ore (<0.5 million years). |
| Mineralogy | electrum, native gold and silver, argentite, sulphosalt, tetrahedrite/tennantite, sphalerite, galena, chalcopyrite, pyrite, selenides, tellurides. | pyrite, enargite, native gold, electrum, covellite, chalcopyrite, chalcocite, bornite, no selenides, tennantite/tetrahedrite. |
| Ore Commodities | Gold, silver, gold + silver, silver + gold, minor lead, zinc and copper. | Gold, copper and silver. |
| Alteration | Closely related to veins. Open space filling; banded to crystalline quartz with abundant chalcedony. Adularia, sericite/illite, calcite, propylitic; locally alunite, some kaolinite and mixed layer clays; barite, fluorite, manganese minerals and chlorite common. | Aerially extensive, massive replacement to vuggy quartz, advanced argillic to argillic, pyrophyllite + sericite. Abundant hypogene kaolinite, extensive hypogene crystalline alunite, barite, calcite absent, chlorite rare; locally gypsum, native sulphur. |
| Temperature | 100 to 300 degrees Celsius. | 100 to 350 degrees Celsius, high temperatures early, low temperatures later. |
| Salinity | 0 to 13 weight % sodium chloride equivalent, commonly < 3 weight %. | 1 to 24 weight percent sodium chloride equivalent, early high salinity, later dilute. |
| Source of fluids | Dominantly meteoric. | Meteoric with significant magmatic component. |
| Sulphide Sulphur Source | Deep-seated, multiple sources leached from depth, reduced. | Deep-seated magmatic, oxidized. |
| **Deposit Examples** | México- Tayolitita, Fresnillo, US-Creede, McLaughlin; **Nevada- Midas, Ken Snyder, Mule Canyon, Aurora, Sleeper** | Chile-El Indio, Tambo, La Coipa, El Guanaco; Perú- Yanacocho, Pierina; **Nevada- Goldfields, Borealis, Comstock, Rawhide** |

The Sleeper deposit is a Nevada example of a high-grade gold, low-sulfidation system located approximately 360 miles northwest of the Fletcher Junction property (Figure 3). It contains a stratigraphic section of Mesozoic basement rocks through Miocene rhyolites, basalts, and volcaniclastic sedimentary rocks. The alteration mineralogy includes silicification, kaolinite-alunite, and illite with geochemical anomalies of high Ag, As, Sb, Hg, & low Mo, Cu, Pb, Zn. The structural controls include vein, breccia, and stockwork mineralization. Sleeper contained two types of ore deposits:

(1) bonanza veins rich in Au (up to 160 opt) with Ag:Au from <1 to 1
(2) stockwork- and breccia-hosted ore generally <0.1 opt Au with Ag:Au from 3 to 10.

Values for copper+lead+zinc were low at Sleeper. The Sleeper deposit also contained high-grade veins (1000m x 500m x 5m) that averaged approximately 300 g/t Au during the mining period. The bonanza veins at Sleeper range from 280 to 1,830 feet below surface.

The following Table summarizes the published mineral reserves of similar deposits in the Northern Nevada. The author has attempted to provide the detailed breakdown of the individual grade and tonnages for each of the deposit owners' corporate website but were often unable to get the full required disclosure. The resource estimates discussed in this section of the report, do not follow the required disclosure for reserves and resources as outlined in National Instrument 43-101 as many were prepared prior to the effective date of NI 43-101. The historic resource figures have not been redefined to conform to the CIM approved standards as required in NI 43-101. The resource estimates have been obtained by sources believed reliable and are relevant but cannot be verified. No effort has been made to refute or confirm these estimates and they can only be described as historical estimates. The proximity of the Fletcher Junction property to these documented gold and silver deposits does not suggest or indicate that the Fletcher Junction property is similarly mineralized.

Table II shows an update resource disclosure as derived from the Nevada Bureau of Mines Special Publication MI-2004 of other epithermal deposits in Northern Nevada (Figure 3).

**TABLE II- EPITHERMAL DEPOSITS, NORTHERN NEVADA** (after NBMG-2004)

| **Mine or** | **Proven & Probable Reserves** | | **Measured & Indicated Resources** | | **Inferred Resources (*-unless noted)** | | |
|---|---|---|---|---|---|---|---|
| **Deposit** | **Tons** | **Au (oz/ton)** | **Tons** | **Au (oz/ton)** | **Tons** | **Au (oz/ton)** | **Ag (oz/ton)** |
| **Ken Snyder-Midas** | 2,900,000 | 0.510 | 200,000 | 0.58 | 700,000* | 0.310 | |
| **Sleeper** | | | | | 51,000,000* | 0.023 | |
| **Mule Canyon** | | | | | 9,000,000* | 0.112 | |

* - Mineralized Material, 43-101 (CIM) resource category not stated

In the Aurora–Borealis–Bodie District, gold-silver deposits occur as both as high grade, low-sulphidation quartz adularia vein systems within volcanic rocks (Bodie and Aurora) but also as high grade high sulphidation alunite-kaolinite systems such as at Borealis (John 2001). These deposits contain high grade lodes within the altered volcanics. Gold resources cited in "Geology and Ore Deposits of the Great Basin Symposium Proceedings, Volume III. Geological Society of Nevada", 1990, are as follows:

**TABLE III - PRODUCTION FROM GOLD DEPOSITS IN THE DISTRICT**

| DEPOSIT | Produced oz. Au | Produced oz Ag | Source |
|---|---|---|---|
| **Low-sulphidation** | | | |
| **Bodie, CA** | 1,500,000 | 7,300,000 | Herrara et al, 1990 |
| **Aurora, NV** | 1,900,000 | 2,400,000 | Knudsen et al, 2002 |
| **High-sulphidation** | | | |
| **Borealis, NV** | 631,000 | 1,500,000 | Noble et al, 2006 |

Gold and silver mineralization in Aurora and Bodie occurs in a stage of veining characterized by coarse crustiform quartz and pyrite, and distinguished by fine grained quartz and adularia. Crustiform quartz and calcite are characteristic of pre-mineralization and post-mineralization veining. Wall rock alteration around gold bearing vein systems is characterized by weak chloritic propylitic alteration (10 meters to 75 meters from the mineralized veins), becoming stronger as the mineralization is approached, and by quartz + illite alteration and silicification (0 meters to 10 meters from the mineralized veins). The quartz – illite alteration intimate with ore zones exhibits depletions in Na and Ca.

A decrease in the gold to silver ratio has been documented for the Prospectus and Juniata veins in the Aurora district, decreasing from 0.27 to 0.35 at higher elevations to 0.16 approximately 120 meters deeper in the vein systems.

Mineralization at Borealis (8 miles to the east-northeast) is associated with hydrothermal breccias, pervasive silica and sulphides, principally pyrite. There are local higher grade deposits at Borealis that have been localized along the interception of second order faults and major mineralized feeder systems.

## MINERALIZATION

There are no prospect pits or sites of exposed in-situ mineralization on the Fletcher Junction property. Mineralization on the Fletcher Junction property has been encountered in the form of mineralized rocks and boulders visible in colluvial and alluvial float around the margins of the Aurora Crater basalt flow. Float rock samples from 149 angular, quartz vein boulders collected along the edge of the 4 mile long target zone report highly anomalous gold up to 2.91 oz/t (90.5 g/tonne). Rock gold results from samples with greater than 200 ppb Au are displayed in Table VII of this report.

## EXPLORATION

A total of US$104,866 has been expended from November 2005 to date at the Fletcher Junction property in advancing the property from discovery of elevated concentrations of gold in water to its current drill-ready stage. All survey work to date has been completed by company personnel, working either through the Pediment Gold Exploration joint venture, or as members of Nevada Exploration Solutions, LLC.

**Water Geochemistry Theory**

Alluvial gravels and other surficial deposits that were laid down after the gold ore deposits were formed cover over 80% of the surface area of Nevada. Many Nevada gold deposits have already been discovered in the exposed mountains where they were easily seen. Many more gold deposits have not been discovered yet, since they are covered by shallow gravel and not exposed to view. The majority of Nevada exploration to date has focused on the ranges or very near the range-valley contact, with no clear methodology to systematically explore the gravel-covered valleys beyond.

The increasing scarcity of exploration resources has driven the search in recent years toward methodologies designed to 'see-through' gravel cover to the bedrock beneath. Unfortunately, geophysical techniques, and such geochemical techniques as mobile metal ion (MMI), biochemical and various gas-sniffing technologies all offer expensive and often ambiguous, still indirect solutions to exploration in covered areas. On the other hand, water circulates through soils and rocks, and acquires characteristics imparted by them. Natural water chemistry directly reflects the geochemistry of the geologic materials the water contacts.

From 1999 through 2002, NGXS collected location information on 60,580 water wells, created a proprietary Nevada Hydrochemistry Database with 46,049 records with chemical analyses for a variety of elements from ground water from public domain sources, with an additional 23,600 analyses in the process of entry (Figure 6). While NGXS's water database consists of public domain information, the effort to bring it together into a useable format for identification of undiscovered resources, as a tool for establishing baseline or background and threshold characteristics and as a prototype for adding more data in the future is proprietary.

**Database Reduction and Orientation**

Hydro-chemical values (Background, Threshold and Anomalous Values) characterizing known resource areas have been determined for five sub-groups (sediment-hosted gold deposits, volcanic-hosted deposits, porphyry-hosted deposits, evaporative basins and geothermal resources) for many of the 79 trace elements and compared to areas not known to be associated with resource potential. The end result of this process has been the identification of numerous hydro-chemically anomalous pediment areas warranting additional detailed water sampling and reconnaissance follow-up.

**2004- 2005 Reconnaissance Water Sampling, Data Collection, Analysis**

The agreement between NGXS and BMGX and the Operating Agreement ("OA") of PGL were signed on June 21, 2004. The Field Examination Stage began on July 2, 2004. The objective of the 2004 field program was to review up to 50 target areas previously selected based upon NGXS's water chemical database and to collect additional water samples for chemical analysis using NGXS's water sampling protocol in order to identify specific target areas with water chemical signatures similar to known gold mines.

Part way through the field program it became apparent that in addition to the approximately 50 previously targeted areas, many geologically attractive pediment areas

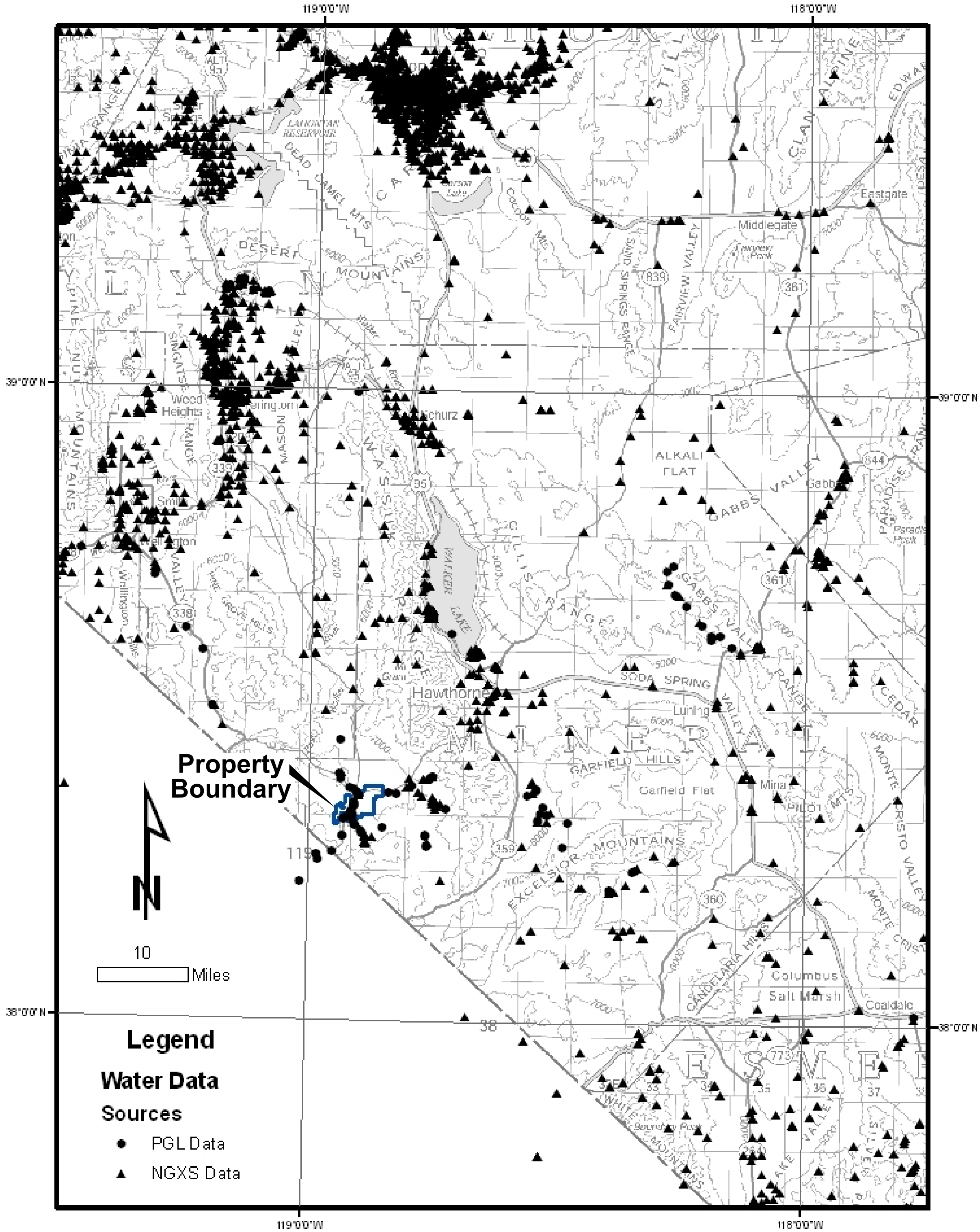


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Figure 6

**FLETCHER JUNCTION GOLD PROJECT**

**REGIONAL WATER SAMPLING**

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presented access to ground water at unanticipated locations for which NGXS had no previous water chemistry data.

The last sample of the field season was collected on November 2, 2004 when heavy snowfall forced an end to a productive field season. During the 122 day field program NGXS collected a total of 1,074 water samples. An additional 98 samples were submitted as Quality Control (QC) standards and blanks for a total of 1,172 samples analyzed.

Twelve known gold mine areas were sampled for further confirmation and orientation of sampling protocol and more accurate determination of actionable thresholds of certain trace elements values. A total of 72 specific target areas were identified as containing anomalous gold in water as worthy of continued interest.

Each batch of samples submitted to the lab was analyzed for gold and 68 trace elements. Distilled water blanks containing the reagents used by each sampler were submitted to control for possible field contamination. A standard of known trace element composition was also submitted with each batch to control for lab variation. Corrected results were then reviewed using statistical software to identify important actionable threshold values and to identify inter-element correlations. The data was then plotted using GIS software for comparison with other important spatial data.

Mine area samples were separated and reviewed for water chemical patterns. The remaining samples were searched for areas where gold values reported anomalous concentrations. Out of 1,074 samples 214 reported meaningful gold values above the threshold (20%) and clustered into 72 specific areas. Each of the 72 target areas were then simply sorted from highest gold value (56,465ppt) to lowest (anomalous threshold). The target list was then reviewed for high samples with potential contamination or repeatability issues. Those areas were then separated from the list of potential targets. The threshold for anomalous gold was then raised from the 80% threshold to the 90% threshold to avoid possible ICP/MS interference issues (see Quality Control discussion in the following section of this report). Twenty-nine Target Areas remained where the highest contained gold value was greater than or equal to the 90% threshold.

Each sample was also reviewed for its trace element contents. Each known gold mine has its own unique collection of trace elements associated with its unique style of gold mineralization that often prove useful in directing local exploration efforts.

It is important to emphasize that any one of the 72 Target Areas reporting gold values greater than the 80% threshold identified to this point might well be associated with a nearby gold deposit. At this point in the program it was not possible to collect water samples in the geologically ‘best’ places to test an area for its gold-bearing potential. Samples were collected based upon the placement of water sources provided by chance.

Based upon the results of the 2004 reconnaissance water sampling program, land positions on two target areas, Hot Pot and Fletcher Junction were acquired and additional Reconnaissance water sampling was planned for 2005. This Report only discusses the Fletcher Junction property.

In 2005, NGXS/PGL collected a total of 2,307 high quality, low-detection limit water samples and submitted 268 QC standards and blanks for a total of 2,575 samples analyzed during the 2004 and 2005 field water sampling seasons.

A total of 211 high quality water samples from a total of 34 known gold mines have now been collected for further confirmation and orientation of sampling protocol and more accurate determination of actionable thresholds of certain trace elements values. A total of 74 specific target areas have now been identified as containing anomalous gold in water as worthy of continued interest.

Each batch of samples submitted to the lab was analyzed for gold and 68 trace elements. Distilled water blanks containing the reagents used by each sampler were submitted to control for possible field contamination. Separate Low Au and High Au standards of known trace element composition were also submitted with each batch to control for lab variation. Corrected results were then reviewed using statistical software to identify important actionable threshold values and to identify inter-element correlations. The data was then plotted using GIS software for comparison with other important spatial data.

Mine area samples were separated and reviewed for water chemical patterns. The remaining samples were searched for areas where gold values reported anomalous concentrations. Out of 2,299 samples 366 reported meaningful gold values above an anomalous threshold (16%) and cluster into 74 specific areas. Each of the 74 target areas were then simply sorted from highest gold value (56,465ppt) to lowest (anomalous threshold). The target list was then reviewed for high samples with potential contamination or repeatability issues. Those areas were then separated from the list of potential targets. The threshold for anomalous gold was then raised to 90% to avoid possible ICP/MS interference issues (see Quality Control Applications and Considerations section at the end of this report). 35 Target Areas remained where the highest contained gold value was greater than or equal to the 90% anomalous threshold. Each sample was also reviewed for its trace element contents.

The water database has been reviewed and oriented to known resource areas and then applied to a large number of uncategorized samples to locate prospective target areas with water chemistry signatures identical to known resource areas. The water geochemical information collected over the last decade of gold exploration in Nevada and complemented with the 2004-2005 NGXS data was merged with a Geographic Information System (ArcGIS) database for easy access, quick retrieval and ease of visual interpretation.

**Gold, Trace Element, and Major Element Water Chemistry**

A total of 2,575 samples were collected in 2004-2005 including those regional samples that lead to the identification and subsequent staking of the Fletcher Junction property. Water samples from within the claim boundary described in this report were collected in April, 2005. Waters from the sampling sites on the Fletcher Junction property are shown in Figure 7a and 7b contained gold concentrations shown in Table IV.

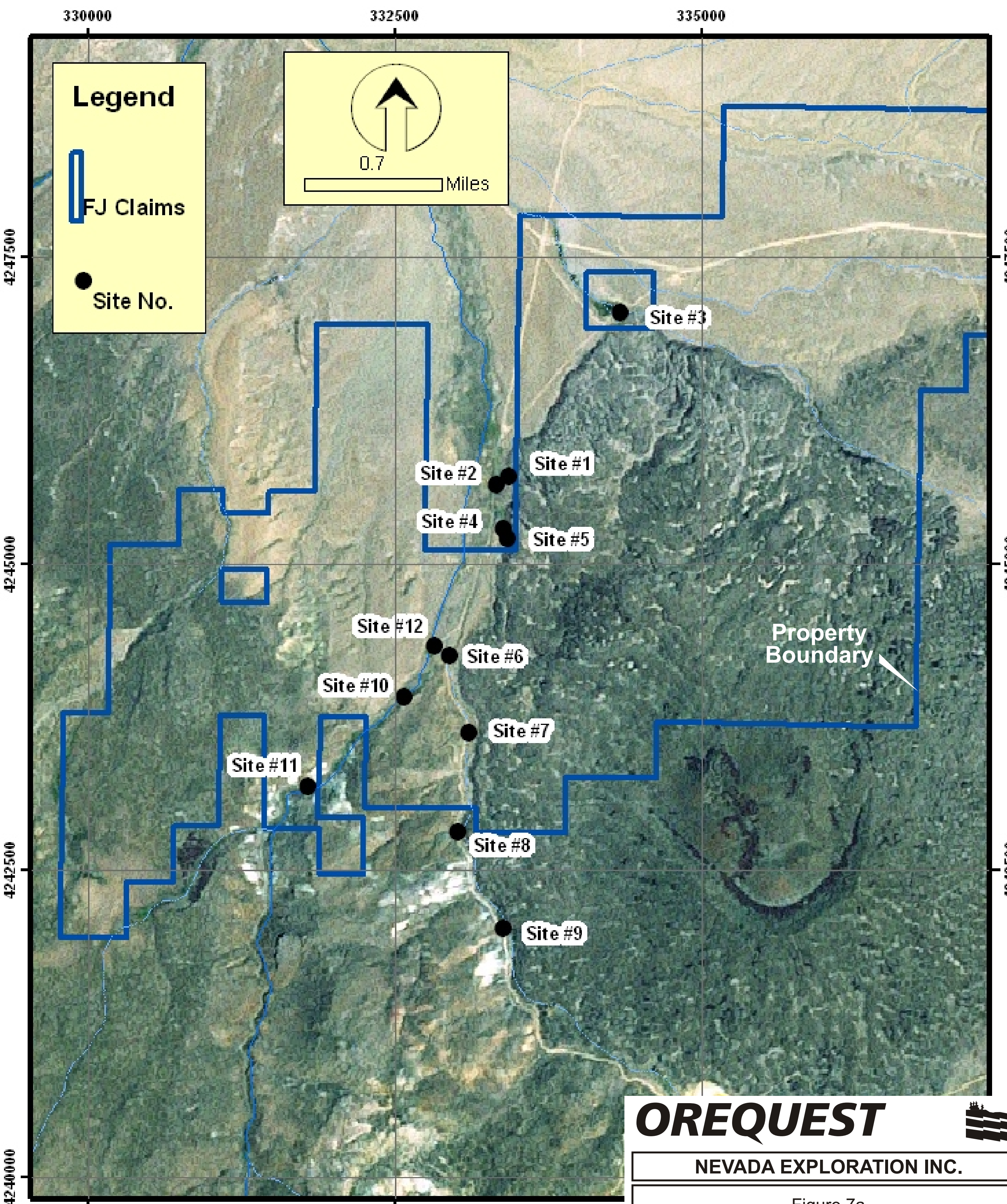


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Figure 7a

FLETCHER JUNCTION GOLD PROJECT

WATER SAMPLE LOCATIONS

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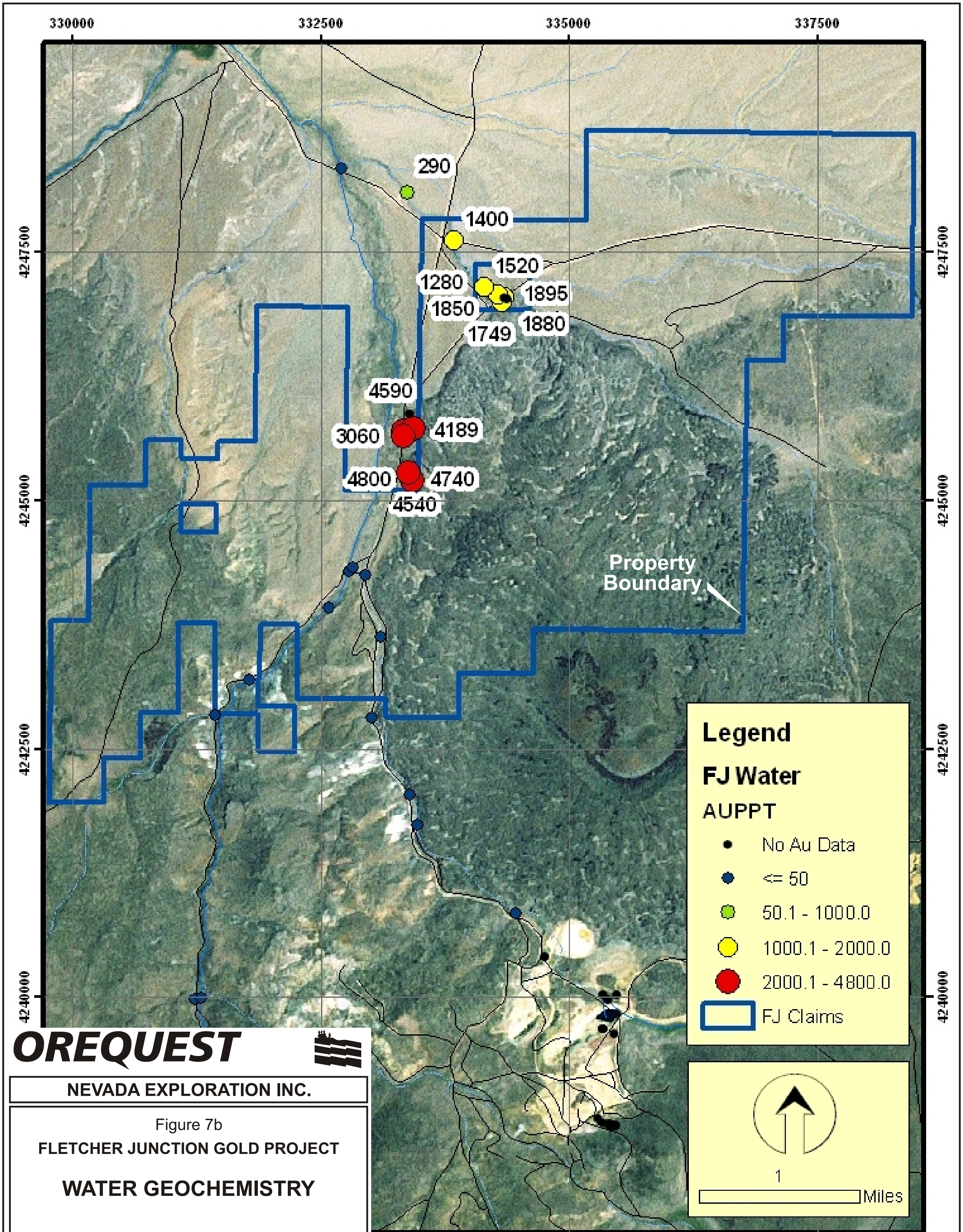


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Figure 7b

FLETCHER JUNCTION GOLD PROJECT

WATER GEOCHEMISTRY

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**TABLE IV -GOLD WATER ANALYSES FROM THE FLETCHER JUNCTION AREA**

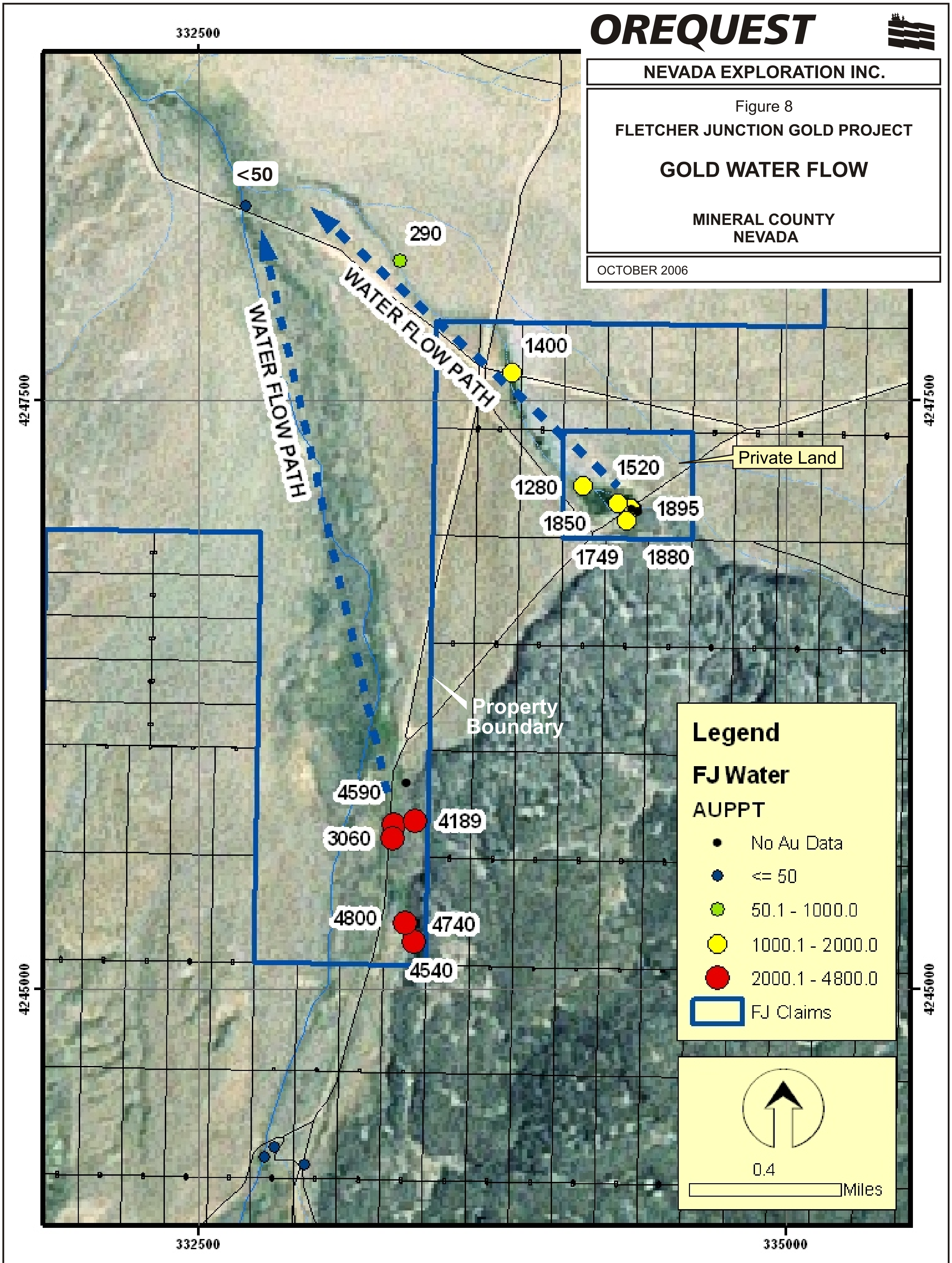
| Sample | Sample Site # | Description | Au ppt |
|---|---|---|---|
| **K-279** | Site 1 | Hi Au spring near base of basalt | 4,590 |
| **W-083** | Site 1 | Hi Au spring near base of basalt | 4,190 |
| **K-278** | Site 2 | Hi Au spring near base of basalt | 3,060 |
| **PMT05-3** | Site 3 | Fletcher Spring; pipe effluent | 1,880 |
| **K-276** | Site 3 | Fletcher Spring | 1,850 |
| **K-291** | Site 3 | Fletcher Spring | 1,870 |
| **PMT05-4** | Site 4 | Hi Au Algae Pond | 4,540 |
| **PMT05-5** | Site 5 | Hi Au spring @ base of basalt first | 4,740 |
| **K-277** | Site 5 | Hi Au spring near base of basalt | 4,800 |
| **PMT05-6** | Site 6 | Aurora Tailings Pond stream; v. turbid 4 filters 8L/sec flow | <50 |
| **PMT05-7** | Site 7 | Aurora Tailings Pond stream; v. turbid 4 filters 8L/sec flow | <50 |
| **PMT05-8** | Site 8 | Aurora Tailings Pond stream; v. turbid 4 filters 8L/sec flow | <50 |
| **PMT05-9** | Site 9 | Aurora Tailings Pond stream; v. turbid 4 filters 8L/sec flow | <50 |
| **PMT05-10** | Site 10 | Bodie Creek; 35 L/sec (below Aurora mine) | <50 |
| **PMT05-11** | Site 11 | Bodie Creek; 35 L/sec (below Aurora mine) | <50 |
| **PMT05-12** | Site 12 | below confluence of Aurora Tailings Stream & Bodie Creek | <50 |

The Aurora gold mine site is located approximately 3.5 miles south of water sampling sites 4 and 5 and 4.5 miles south of water sampling Site 3. The exploration team collected additional water samples to determine whether the elevated gold in spring and spring-derived pond water at Sites 3, 4, 5 and adjacent sample sites could possibly be derived from the Aurora mine stream drainage waters (Sites 6, 7, 8, 9 and 2 additional upstream samples) flowing downstream from the Aurora mine.

Based on the gold in water distribution in Figure 7b, it appears that there is a source of gold in the Fletcher Junction area that is proximal to the sampled sites and that is clearly distinct from the geochemical signature from the Aurora gold deposit therefore could possibly represent a different deposit type that the Aurora low-sulphidation model and may be more representative of the Borealis high-sulphidation model.

The source of gold in water is believed to be proximal to the sampled spring waters in part due to the character of the water plume downstream from Fletcher Spring, where a fairly rapid decay of gold concentrations is observed in water sampled downstream to the northwest. Fletcher Spring water containing 1,800 to 1,400 ppt gold flows downstream to the northwest, and is found to contain only 290 ppt gold in surface waters collected 2,200 feet away. The gold signal then decays to a <50 ppt gold value in a well, sampled 6,800 feet from the Fletcher Spring source. The <50 ppt well value is located 6,800 feet downstream of Site 3 and 10,000 feet downstream of Sites 4 & 5. Likely water flow paths are displayed in Figure 8.

The surface waters and well waters sampled along the water flow path from Fletcher Spring are exposed to oxidizing and reducing conditions. As such, the observed gold

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concentration decay along this flow path does not represent a perfect analog to the likely reduced ground water emerging from under the basalt at Fletcher Junction. However, the relatively rapid decay of Au concentrations in water suggests that the source of gold in water at Fletcher Junction is proximal, and is located under the basalt cover to the south and east.

Apart from gold in water, other components of the water chemistry in samples from Fletcher Junction also indicate the spring waters containing high gold are not hydrologically connected with stream drainage waters from the Aurora gold deposit 2 to 3 miles to the south. Trace element chemistry is distinctly different in Au-bearing spring waters and Aurora deposit drainage waters as seen in Table V.

**TABLE V - FLETCHER JUNCTION WATER TRACE ELEMENT CHEMISTRY**

| **Sample** | **B ppb** | **Al ppm** | **Mn ppm** | **Si ppm** | **As ppb** | **Fe ppm** | **Sr ppb** | **Ti ppb** | **V ppb** | **Zn ppb** |
|---|---|---|---|---|---|---|---|---|---|---|
| Au-bearing spring water (sample sites 3, 4, 5) | | | | | | | | | | |
| PMT05-3 | 83 | < 0.1 | < 0.01 | 19.4 | < 30 | 0.02 | 170 | < 10 | 20 | < 5 |
| PMT05-4 | 180 | < 0.1 | < 0.01 | 20.4 | < 30 | 0.02 | 340 | < 10 | 20 | < 5 |
| PMT05-5 | 183 | < 0.1 | < 0.01 | 23.6 | < 30 | 0.02 | 360 | < 10 | 20 | < 5 |
| Aurora Mine Drainage Water (sample sites 6, 7, 8, 9) | | | | | | | | | | |
| PMT05-6 | 1570 | 0.8 | 0.06 | 13.6 | 90 | 0.23 | 700 | 20 | < 10 | 10 |
| PMT05-7 | 1590 | 1.6 | 0.07 | 15.6 | 90 | 0.49 | 700 | 40 | < 10 | 10 |
| PMT05-8 | 1550 | 1.6 | 0.08 | 15.4 | 90 | 0.47 | 700 | 40 | < 10 | 10 |
| PMT05-9 | 1140 | 1.4 | 0.11 | 14.6 | 60 | 0.43 | 740 | 40 | < 10 | 10 |
| Bodie Creek Drainage water (sample sites 10, 11, 12) | | | | | | | | | | |
| PMT05-10 | 79 | 1.1 | 0.03 | 18.3 | < 30 | 0.25 | 150 | 20 | < 10 | < 5 |
| PMT05-11 | 69 | 1.4 | 0.03 | 18.6 | < 30 | 0.28 | 150 | 20 | < 10 | < 5 |
| PMT05-12 | 248 | 1.3 | 0.03 | 17.5 | < 30 | 0.3 | 210 | 20 | < 10 | 10 |

Major element cation and anion water chemistry also indicate that Au-bearing spring waters from Sites 3, 4, and 5 are distinctly different from and not in hydrologic communication with surface waters sampled within the Aurora Mining District.

The distinct water sources and plumes apparent from the major, minor, and trace element chemistry in the Fletcher Junction area can be anticipated and understood based on the physiography and landscape setting. Landscape in the Fletcher Junction area indicates that water flowing from the Aurora mine area would be unlikely to communicate directly with Au-bearing spring water because the respective waters are carried in separate gravel pediments which likely comprise separate aquifers.

Gold rich spring waters emerge on an old pediment alluvial terrace, partially covered by basalt flows (Figures 7b and 8). This old pediment surface is higher than the younger pediment gravel landscape of the stream drainages and Aurora mine waters and the two pediment surfaces are clearly distinct from one another. Water aquifers in the two distinct pediments appear to be isolated.

**Rock and Soil Geochemistry – Gold Results**

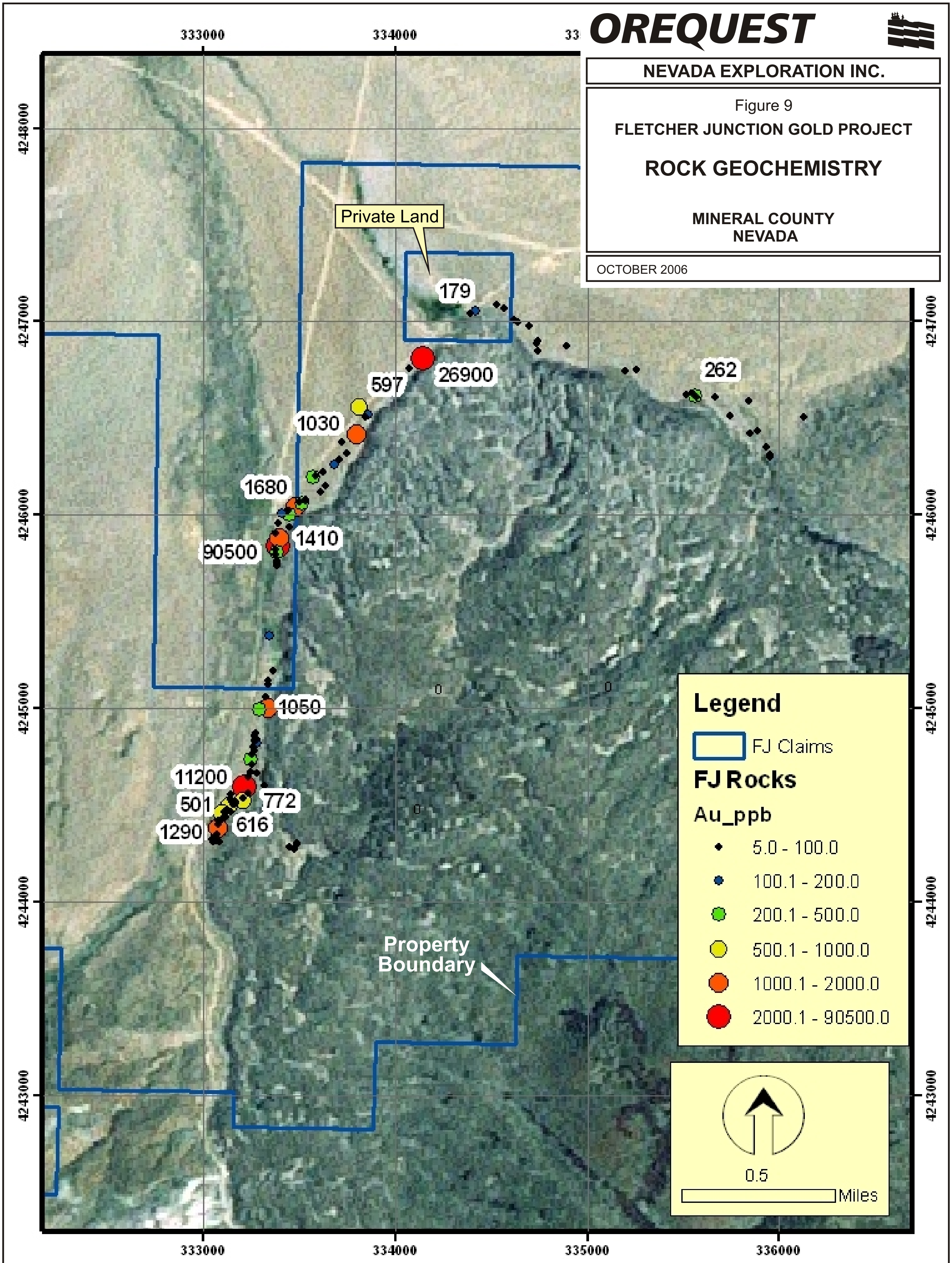
Rock fragments exhibiting hydrothermal alteration occur at Fletcher Junction within the old pediment alluvial terrace and also within the volcanic rocks from the Aurora Crater. These rock fragments are exposed at surface. The rock fragments likely have been eroded and deposited from a local source within the old alluvial terrace or derived from nearby underlying bedrock under thin volcanic cover within mapped Aurora Crater basalt.

**TABLE VI - ANALYSES OF FLETCHER JUNCTION ROCK FLOAT FROM MARGINS OF BASALT COVER**

| Sample ID | TYPE | Au ppb | Au oz/t | Ag ppm | Ag oz/t | Au Test | Metals Test |
|---|---|---|---|---|---|---|---|
| WR035 | Rock Float | **90,500** | **2.91** | **324.00** | **10.42** | Au-GRA21 | ME-ICP61 |
| WR027 | Rock Float | **26,900** | **0.86** | **372.00** | **11.96** | Au-GRA21 | ME-ICP61 |
| JR013 | Rock Float | **11,200** | **0.36** | 19.20 | 0.62 | Au-GRA21 | ME-ICP61 |
| JR050 | Rock Float | **8,540** | **0.27** | 22.90 | 0.74 | Au-AA23 | ME-ICP61 |
| JR051 | Rock Float | **5,200** | **0.17** | 9.60 | 0.31 | Au-AA23 | ME-ICP61 |
| JR053 | Rock Float | **2,590** | **0.08** | 8.70 | 0.28 | Au-AA23 | ME-ICP61 |
| JR043 | Rock Float | **1,680** | **0.05** | 7.90 | 0.25 | Au-AA23 | ME-ICP61 |
| WR036 | Rock Float | **1,410** | **0.05** | 2.40 | 0.08 | Au-AA23 | ME-ICP61 |
| WR009 | Rock Float | **1,290** | **0.04** | 1.40 | 0.05 | Au-AA23 | ME-ICP61 |
| WR019 | Rock Float | **1,050** | **0.03** | **70.60** | **2.27** | Au-AA23 | ME-ICP61 |
| JR035 | Rock Float | **1,030** | **0.03** | 1.40 | 0.05 | Au-AA23 | ME-ICP61 |
| JR010 | Rock Float | 772 | 0.02 | -0.50 | -0.02 | Au-AA23 | ME-ICP61 |
| JR006 | Rock Float | 616 | 0.02 | 6.70 | 0.22 | Au-AA23 | ME-ICP61 |
| 8003R | Rock Float | 597 | 0.02 | 1.30 | 0.04 | Au-AA23 | ME-ICP41 |
| WR010B | Rock Float | 501 | 0.02 | 0.80 | 0.03 | Au-AA23 | ME-ICP61 |
| JR044 | Rock Float | 482 | 0.02 | -0.50 | -0.02 | Au-AA23 | ME-ICP61 |
| JR052 | Rock Float | 400 | 0.01 | 5.10 | 0.16 | Au-AA23 | ME-ICP61 |
| WR032 | Rock Float | 380 | 0.01 | **91.10** | **2.93** | Au-AA23 | ME-ICP61 |
| JR028 | Rock Float | 315 | 0.01 | 13.10 | 0.42 | Au-AA23 | ME-ICP61 |
| JR018 | Rock Float | 272 | 0.01 | 1.30 | 0.04 | Au-AA23 | ME-ICP61 |
| JR065 | Rock Float | 262 | 0.01 | 2.90 | 0.09 | Au-AA23 | ME-ICP61 |
| JR047 | Rock Float | 244 | 0.01 | 0.50 | 0.02 | Au-AA23 | ME-ICP61 |
| WR024 | Rock Float | 226 | 0.01 | 7.70 | 0.25 | Au-AA23 | ME-ICP61 |

Gold analyses in Table VI were routinely completed by an Aqua Regia digestion followed by an Atomic Absorption analysis finish. For rock samples with the highest gold concentrations at 2.91 oz/ton Au, 0.86 oz/ton Au, and 0.36 oz/ton Au, the analysis reported is a check re-analysis completed by a fire assay and gravimetric analysis finish. The higher grade rock samples are typically white-to light grey, silicified, vuggy, calcite-adularia-quartz vein material commonly with iron oxide staining. Full sample descriptions of the float rock samples can be located in Appendix C, sample locations are shown of Figure 9.

The high concentrations in these rocks of silver (Ag) are noteworthy in rock samples WRO-35 and WRO-27, each with greater than 10 ounces per ton of silver. Gold

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concentrations in surface rock float samples at Fletcher Junction are displayed in Figure 9. With very limited sampling, 11 rock samples with high gold concentrations of greater than 0.03 oz/ton Au are observed in the collected samples within the old pediment alluvial terrace adjacent to the Aurora Crater volcanic flow cover.

These rock samples likely are derived from a nearby bedrock source under relatively thin volcanic cover. The same source area is likely responsible for the highly elevated Au in water observed in spring samples Site 3, 4, and 5.

Soil samples have been collected from the old pediment alluvial terrace immediately down stream from the Fletcher Junction Spring where Au-bearing water has spilled on to soil and mud down stream from the spring sampled at Site 3. Soil sample gold analysis results from a relatively small sample survey population of 10 samples are displayed in Figure 10. Figure 10 illustrates that abundant gold in soil has accumulated downstream from and adjacent to spring water sample sites carrying elevated concentrations of gold. One soil sample down stream from the Fletcher Junction spring at Site 3 contains over 1.2 g/t Au, an extremely high concentration of gold in soil. It is believed that this gold is derived from a source area up flow from the Fletcher Junction spring and that spring water has interacted with the gold source, carried the gold in solution, and subsequently deposited gold from the spring water on to the soil. The strongly elevated concentrations of gold in soil at Fletcher Junction provide yet another check on the integrity of the geochemical gold expression discovered at Fletcher Junction spring.

**Gold in Vegetation**

A composite sample from three sage brush plants was collected from within 15 meters of site 5, located at UTM 333,418E, 4,245,201N. Leaves and twigs from the sage brush sample were prepared at Minerals Exploration Geochemistry (MEG) and analyzed without washing or ashing by instrument neutron activation analysis at both Acme Analytical Laboratories Ltd. (Acme) and Becquerel Laboratories (BL). Analysis results confirmed gold in sage brush leaves and twigs.

**TABLE VII - SAGE BRUSH ANALYSES FROM SITE PMT05-5**

| Sample I.D. | Acme Au ppb | BL Au ppb |
|---|---|---|
| PMT05-5 Sage Leaves 1 | 10.5 | 8.8 |
| PMT05-5 Sage Twigs 1 | 5.8 | 5.9 |
| PMT05-5 Sage Leaves 2 | 9.9 | 8.4 |
| PMT05-5 Sage Twigs 2 | 6.6 | n/a |

Gold in sage brush from site PMT05-5 likely accumulated in the sampled plant as the sage brush absorbed Au-bearing water from the nearby spring. Work done at the nearby Borealis Mine (8 miles east-northeast) indicate that the shallow deposit is vertically indicated in both soils, ranging from 10 ppm to 0.005 ppm, (analyzed by atomic absorption spectrometry (AAS) with a detection limit of <0.005) and in sagebrush, ranging from 0.2 ppm to 0.005 ppm (analyzed by instrumental neutron activation analysis (INAA) with a

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Figure 10

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## SOIL GEOCHEMISTRY

**MINERAL COUNTY**
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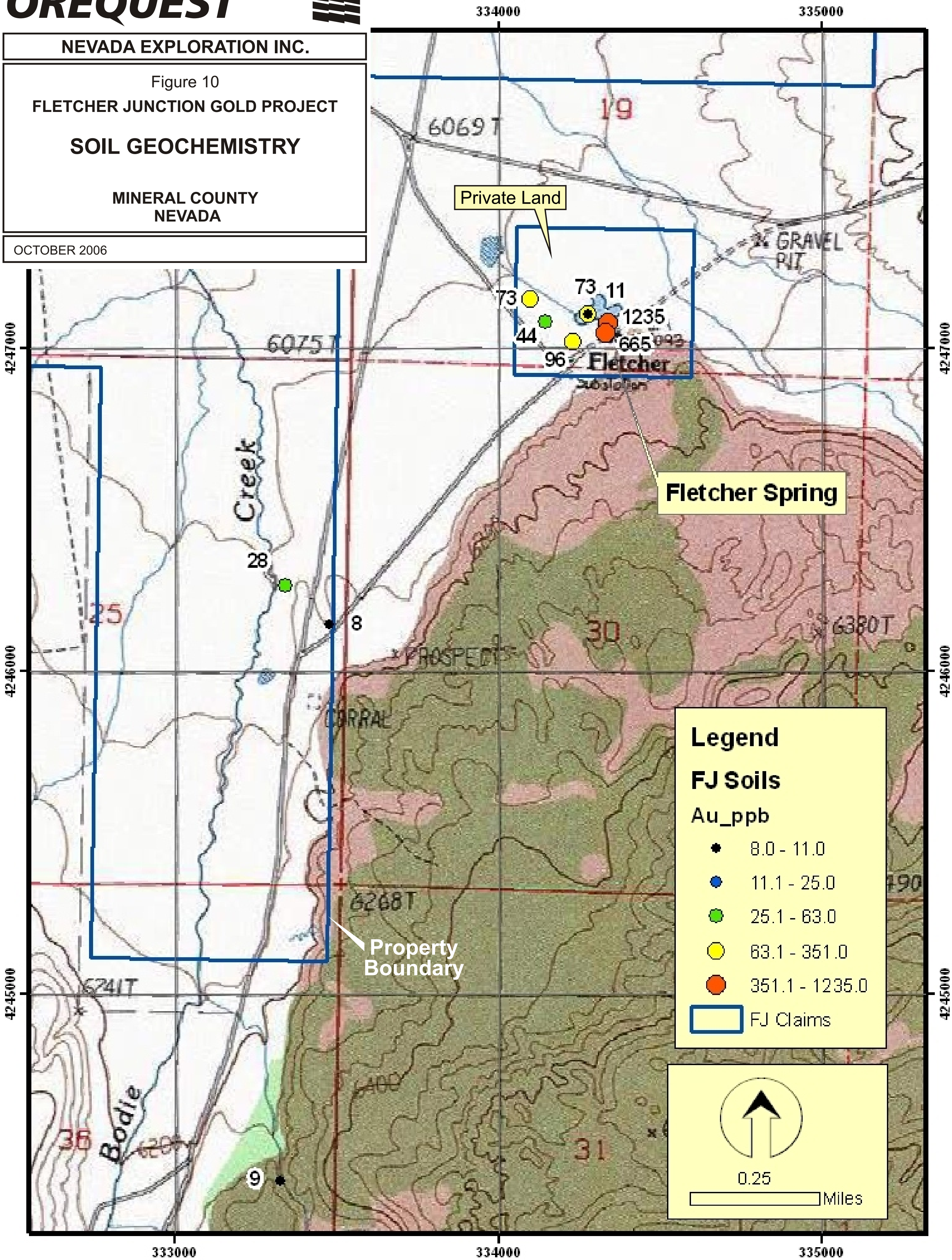


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detection limit apparently <0.001). Therefore gold values in sagebrush >0.005 ppm (5 ppb) are vertically indicative of the gold mineralization at Borealis (Huang, 1986). At this point in the exploration at the property, not enough sage brush samples have been collected at Fletcher Junction to determine a threshold for anomalous gold. Therefore it is unknown if the above samples could be considered anomalous but if the work at Borealis is indicative of mineralization sought at Fletcher Junction, then these results would be considered encouraging.

**DRILLING**

No documented drilling has been completed to date at the Fletcher Junction property. A small number of reverse circulation holes appear to have been drilled in the vicinity of Fletcher Springs but neither the author nor the company could determine who did the drilling, when it was completed or if there were any gold results.

The road access, archaeological, and environmental permit applications have been filed with the US Forest Service and a bond is in the process of being posted as part of the drill permitting process. Drilling is anticipated in early 2007.

**SAMPLING METHOD AND APPROACH**

The NGXS water geochemistry exploration team executed an innovative, modern program that was designed to generate reliable water chemistry data at the low parts per trillion concentration level for gold, and at the low parts per billion concentration level for a broad suite of trace elements. Generating quality data at these concentration levels requires care in both field and laboratory procedures. Systematic sampling and sample handling protocols were developed and implemented by NGXS. The effectiveness of these procedures and the analytical performance of the laboratory were monitored throughout the sampling program using a system of blank samples and standard samples.

At each sample site, field measurement of water temperature, pH, conductivity, and sulphate were completed. A photograph was recorded at each sampling site, with the unique sample number for the site also recorded on the digital photograph. Location coordinates were recorded using hand held GPS units. Location coordinates, site descriptions, field chemistry results, and other information from the sampling site were entered into a database. Water samples were stored in refrigerated containers and submitted for analysis of gold and a large suite of other elements by modern spectrometric methods.

Laboratory submittals of survey water samples contained blank samples of the same distilled water supplies used during the sampling to establish whether any contamination of wash and rinse water might have occurred during the course of the survey program. To separate portions of these distilled water samples, preservative reagents were added in the same quantities used in routine sample collection. Thus separate blank samples of distilled water and distilled water with added preservative reagent were provided to the laboratory with each batch of samples to monitor and assess any sample contamination that might have occurred. In addition, a water solution containing a known quantity of gold was submitted as a blind standard to the analytical laboratory to monitor lab performance throughout the duration of the survey program. These systematic quality control procedures were employed in addition to the internal quality assurance / quality control procedures used routinely by the analytical laboratory itself.

Analysis results returned from the laboratory were examined for quality as a first step in the data processing sequence. Overall, the program demonstrated that field procedures avoided contamination and laboratory performance was very good. Occasionally very low trace Au concentrations were observed in blank samples, and these concentrations were subtracted from all gold analysis data in the corresponding laboratory report, resulting in the “adjusted Au” or “adj Au” term used in map plots and target generation. The gold values reported in target descriptions therefore are conservative.

The quality assurance program also involved close communication with the laboratory, and identification of naturally-occurring elements that had potential to interfere with gold analyses by forming compounds in the high temperature plasma with a mass corresponding to the mass of elemental Au. Corrections to gold for specific elements were routinely completed internally at the analytical laboratory. NGXS applied additional safeguard by double-checking for interferences by these elements as well as by a suite of five additional elements that theoretically could potentially form gold interferences in plasma. No evidence of correlation or interference with Au was observed by NGXS for these elements.

The analysis results for gold and trace elements should be considered to be of high quality based on the controls and analysis results associated with the 2004 and 2005 Nevada water survey.

Rock samples were collected by traversing the boundary of the cover basalt flow and examining the surface colluvium and alluvium for boulders or cobbles of possibly mineralized float. Composite samples of approximately 0.5 kg to 1 kg were collected at each site. Samples were submitted for analysis by fire assay gold and aqua regia multi-element analysis at ALS Chemex in Reno, Nevada. Results for the rock samples collected by NGXS are located in Appendix C of this report.

Soil samples were collected systematically from a depth of 6 to 12 cm on a reconnaissance layout. Soils were sieved at the laboratory to recover the minus 80 mesh fraction, and submitted for low level Au plus trace elements at Acme Analytical Laboratory.

**SAMPLE PREPARATION, ANALYSIS AND SECURITY**

Rock samples were pulverized, sub-sampled via splitting operations at the laboratory, and submitted for analysis. Soil samples were sieved at 80 mesh, with the undersize submitted for analysis. These samples were submitted as routine survey samples, and no special security measures were applied. Sampling was completed by company personnel, but no aspect of sample preparation for rock or soil samples was conducted by an employee, officer, director or associate of the issuer of this report.

- Water samples were analyzed at:
  **Activation Laboratories**
  1336 Sandhill Dr.
  Ancaster, Ont. L9G 4V5
  (905) 648-9611
- Rock and soil samples were analyzed at:
  **ALS Chemex Laboratory**
  994 Glendale Avenue
  Sparks, Nevada 89431-5730
  (775) 356 5395
- Vegetation samples were analyzed at:
  **Acme Analytical Laboratory**
  852 East Hastings Street
  Vancouver, B.C. V6A 1R6
  (604) 253-3158
  and:
  **Becquerel Laboratories**
  6790 Kitimat Rd, Unit #4
  Mississauga, ON L5N 5L9
  (905) 826-3080

**Activation Laboratories Accreditation**

Activation Laboratories' Quality System is accredited to international quality standards through International Organization for Standardization /International Electrotechnical Commission (ISO/IEC) 17025 (ISO/IEC 17025 includes ISO 9001 and ISO 9002 specifications) with CAN-P-1758 (Forensics) and CAN-P-1579 (Mineral Analysis) for specific registered tests by the SCC. A current list of accredited test is available by contacting Activation Laboratories or from the Standards Council of Canada. The accreditation program includes ongoing audits which verify the QA system and all applicable registered test methods.

**ALS Chemex Laboratory Accreditation**

ALS Chemex has attained ISO 9001:2000 registration at all North American laboratories. Recently, ALS Chemex was accredited to ISO 9001:2000 for North America. ISO 9001:2000 requires evidence of a quality management system covering all aspects of the organisation. To ensure compliance with this system regular internal audits are undertaken by staff members specially trained in auditing techniques.

In addition, the ALS Chemex Vancouver laboratory is accredited to ISO 17025 by Standards Council of Canada for a number of specific test procedures including fire assay Au by AA, ICP and gravimetric finish, multi-element ICP and AA Assays for Ag, Cu, Pb, and Zn. This accreditation provides specific assessment of the laboratories' analytical competence for the analytical techniques listed in the scope of accreditation (Scope of Accreditation, Certificate of Accreditation). In addition to twice yearly proficiency tests, auditors experienced in minerals analysis have performed detailed technical reviews at the laboratory site. It is the laboratory opinion that the combination of the two ISO standards provides clients complete assurance regarding the quality of every aspect of ALS Chemex operations.

Aside from laboratory registration, ALS Chemex has been a leader in participating in and sponsoring the Assayer Certification program in the Canadian province of British Columbia, one of the few jurisdictions that maintain a rigorous assayer registration program. ALS Chemex has on staff a number of Registered Assayers who have undergone extensive theoretical and practical training and passed comprehensive examinations prior to receiving their certificates.

**Acme Analytical Laboratory Accreditation**

On November 13, 1996, Acme Analytical Laboratory became the first commercial geochemical analysis and assaying lab in North America to be accredited under ISO 9002. Acme is currently registered with ISO 9001:2000 accreditation.

**Water Samples**

All water samples were submitted to the laboratory together with in-house standards and reagent blanks, and duplicate samples were collected and submitted systematically to monitor field sampling error. Reagent blanks were generated at the beginning and at the end of each field sampling session to establish the state of cleanliness of reagents and containers when all materials were fresh and again after days of sampling. Control samples comprised approximately 8% of the total samples submitted, and separate standards were employed for gold and for trace elements. The laboratory also employed their own internal standards for water analysis and reported results together with the samples submitted by Pediment Gold Exploration or Nevada Exploration Solutions, LLC. Results showed there was very little contamination of gold or trace elements in the sampled waters. Some minor variability in reagent blank results up to about 1.5 parts per trillion gold was observed in an extreme case.

A high degree of cleanliness and a high standard of sampling protocol quality are indicated by the low level of measured contamination in control samples used within the water sampling program. As an added precaution, the highest gold concentration level of initial or final blanks was subtracted from all gold analyses in the analytical batch associated with that control sample as a routine practice in water analysis data processing. The sampling protocols followed and the water survey results are considered to be of very high quality.

**Rocks and Soils**

Laboratory internal standard material standards were employed in the analysis of all rocks and soils run at ALS Chemex as part of this laboratory's internal quality control procedures. Standards analyses were not reported together with the routine analysis results from rocks and soils.

The sampling, sample preparation, and analysis procedures associated with the rock and soil samples are considered to be adequate and at a high standard of quality appropriate to the stage of exploration completed to date at Fletcher Junction. There were no special security measures applied to the transportation of the samples to the labs beyond normal procedures. The samples were collected by company personal, stored in hotel rooms until enough samples were collected to send to the labs and then were either personally delivered to the labs in Nevada or shipped directly to the Canadian labs. Anomalous gold in water samples were routinely cross checked by taking additional samples and typically not by the original sampler to eliminate any equipment or method contamination issues.

The author has no reason to question the sampling methods, sample preparations, procedures, analysis or security with respect to the company's protocols.

## DATA VERIFICATION

Since the focus of this exploration is related to analysis of water samples collected and analyzed under exacting protocols and procedures, additional samples collected by the author may not duplicate the previous company's sampling so no additional sampling was completed. Instead data verification was conducted both during the on-site visit and by data review in the authors' offices from files and data obtained from the company. Analytical values that were obtained by the company were reviewed and correlate with appropriate geological materials and maintain a reasonable continuity with the expected results. It is believed that the present data verification by the author allows for a reliable picture of the Property geology and database, from which to conduct further work.

The presence of highly elevated concentrations of gold in water at Fletcher Junction has been confirmed by the company with additional investigation and an alternative water analysis procedure. According to Dr Taufen:

> *"The analysis of Au in water by mass spectrometry first established the presence of Au in Fletcher Junction samples. Gold is detected in mass spectrometry due to the detection of the Au atom that has a weight of 197 Daltons. On occasion, a gold signal at mass 197 is detected in mass spectrometry due to the presence of other compounds formed in the analysis plasma that also have a combined mass of 197 and can interfere with the determination of Au. Nevada Exploration Solutions routinely investigates these possible interferences and carefully examines all water analysis results with indicated high Au concentrations for possible interfering elements.*
>
> *No elements interfering with $Au^{197}$ determination by mass spectrometry analysis were identified in the Fletcher Junction waters, but to provide added confidence in Au detection, a second analysis was completed whereby Fletcher Junction water samples with identified high Au were evaporated to dryness and the weighed solid film was submitted to Instrumental Neutron Activation Analysis (INAA). The check INAA procedure solidly confirmed the Au in water concentrations in Fletcher Junction waters originally determined of by mass spectrometry."*

The author has no reason to question the sampling done to date with respect to the company's procedures and protocols so additional water sampling would be required to add to the confidence in the work done to date. Further rock sampling could have been completed but unless exact sample sites were resampled on a routine basis, new samples would likely show similar results varying from low to high results for gold. The author reviewed enough of the rock sample sites in the field to see the rock types sampled and to make the determination that the results obtained from the company would be expected of results sampled in this type of geological environment.

## MINERAL RESOURCES

No mineral resource utilizing acceptable Canadian Institute of Mining and Metallurgy standards has been calculated for the Fletcher Junction property. This is due to the early stage of exploration work on the property.

## METALLURGICAL TESTING

No known metallurgical testing has been carried out on any type of sampling medium from the Fletcher Junction property.

## ADJACENT PROPERTIES

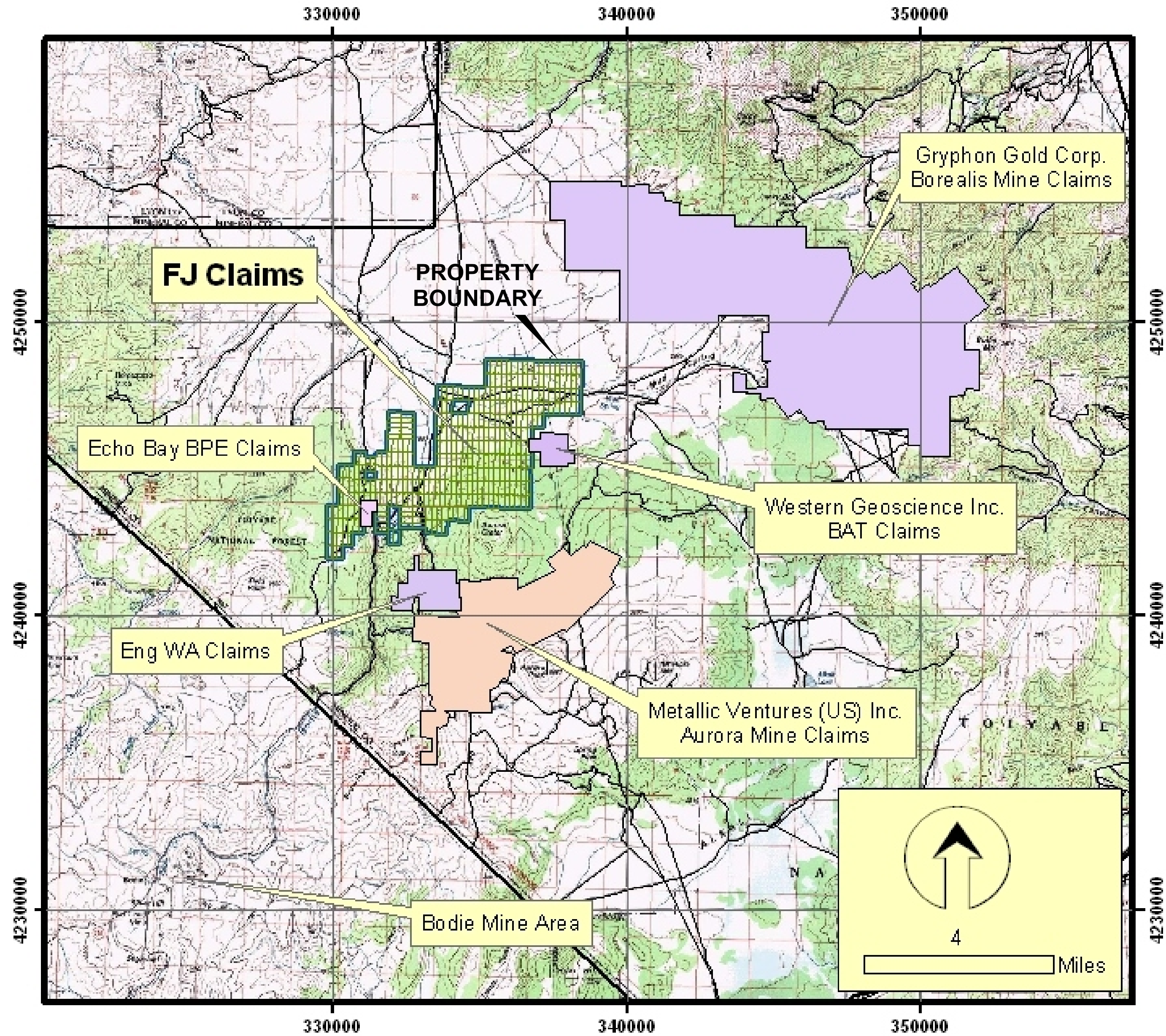
There are a number of adjacent and relevant properties to the Fletcher Junction gold property. These include the Aurora gold mine two miles southeast, and the Borealis gold mine located eight miles east- northeast (Figure 11). The proximity of the Fletcher Junction gold property to these documented gold and silver deposits does not suggest or indicate that the Fletcher Junction gold property is similarly mineralized. In the Aurora-Bodie Hills Mining District, gold-silver deposits occur as both as high grade, low-sulphidation quartz adularia vein systems within volcanic rocks (Bodie and Aurora) but also as high grade high sulphidation alunite-kaolinite systems such as at Borealis (John 2001).

### Aurora (Esmeralda)

The Aurora gold mine, now known as the Esmeralda project, lies two miles south of the Fletcher Junction project and is currently owned by Metallic Ventures Gold Inc. It has produced gold and silver sporadically from 1860, with reported historic production of approximately 1.9 million ounces of gold and 2.4 million ounces of silver. The last reported production was in 2004 when 11,536 oz of Au and 45,231 oz of Ag were produced.

The Esmeralda District is hosted within a prominent pile of extrusive and intrusive volcanic rocks along an important regional structural trend (Walker Lane). Suitable host formations from the volcanic pile have been broken and altered (prepared) to accept later gold and silver rich solutions from below along the Walker Lane faults, fractures, and breaks.

The principal sources for historic production are the Prospectus, Martinez, and Humboldt-Hilton vein systems which represent open fractures that have been filled with quartz and minerals containing gold and silver. These veins are parallel to subparallel to




OREQUEST

NEVADA EXPLORATION INC.

Figure 11

FLETCHER JUNCTION GOLD PROJECT

**CLAIMS & ADJACENT ACTIVITY**

MINERAL COUNTY
NEVADA

OCTOBER 2006

*Map supplied by Nevada Gold Exploration Solutions LLC- 2006.*

one another and strike with a major regional mineralizing trend that encompasses three other gold silver deposits along a strike length of 30 miles. The textures mapped and interpreted by the Company's geologists suggest the vein systems at the Esmeralda Project are relatively high in the ore-forming process and additional ore can be expected at depth. The known lengths of the Prospectus, Martinez, and Humboldt-Hilton veins are approximately 4,241 ft with economic mineralization identified in their upper 650-1,000 ft of observed vertical extent.

Gold occurs as native gold and combined with silver as electrum. Silver occurs as silver sulfides, sulphosalt, and base metal sulfides. Quartz and calcite are the primary gangue materials associated with ore. Gold and silver can occur in mineable grades along the entire length of the vein narrow higher-grade zones or shoots can contain gold and silver grades 10-50 times greater. The gold-silver mineralizing event is late in the overall vein formation, filling fractures that run parallel to or across the vein.

High-grade mineralization within the Prospectus vein system has recently been drill tested by the Metallic Ventures (in 2004) as there may be several high-grade ore shoots that comprise the bulk of the precious metal resource within the vein system. High grade ore shoots may be up to 20 meters long parallel to strike and are generally quite thin, less than one meter. Down-dip extent of the ore shoots is unknown as they are open at depth.

Veins at Esmeralda vary from less than 1 cm to over 5 meters in width and have strike lengths that may exceed 3km. Down-dip extent of vein mineralization is unconstrained. Consideration of the pre-mining surface and deep drill intercepts indicates that veins persist down-dip for at least 250 meters and probably much farther. Veins dip at moderate to steep angles; post-mineral tilting of veins is likely. All historic production of precious metals in the Esmeralda district has come from banded quartz-adularia-sericite veins. Within the main portion of the district, almost 100 individual veins have been documented of which over 30 have seen production. Detailed mapping of veins on Middle, Last Chance and Humboldt Hills and within the Prospectus, Humboldt and Juniata-Chesco open pits has been completed.

In 2002, the company completed a resource estimate for the Esmeralda project using Mine Development Associates (Knudsen & Prenn 2002). The company reported the following tonnage and grade (using a 1.0 g/t cutoff):

- Measured and Indicated- 30,710,500 tons grading 0.031 oz/ton (952,700 oz)
- Additional Inferred Resources- 9,206,300 tons grading 0.025 oz/ton (231,500oz)

The project is currently on care and maintenance pending while the company seeks a joint venture partner.

**Borealis**

The Borealis gold project lies approximately eight miles to the east-northeast of the Fletcher Junction project. It was discovered in 1978 by S. Ivosevic for Houston Oil and Minerals Company which was bought out in 1981 by Tenneco Minerals. The mine went into production in late 1981 from a series of eight small open pits and is reported to have produced 631,000 oz of gold and 1.5 million oz of silver and was shut down in 1990. There are more than a dozen known mineralized systems, only eight were mined.

Gold mineralization is hosted in Miocene pyroclastics, tuffs andesitic flows and breccias. Gold mineralization is commonly associated with hydrothermal breccias. Higher grade deposits have also been localized along the intersection of small faults and major feeder systems.

Noble & Bender (2006) report:

> "Alteration and mineralization closely associated with ore-grade material are fine-grained vuggy to massive silica and pyrite often with and enveloped by advanced argillic alteration including alunite-dickite. Outward from the central silica zone is kaolinite-quartz-pyrite-dickite-diaspore, followed by montmorillonite-pyrite, and an outermost broad propylitic halo with minor pyrite. Large bodies of opaline and microcrystalling silica occur peripheral to some mineralized zones. During its emplacement, finely disseminated gold found in the Borealis mineralizing system was enclosed in pyrite and through natural oxidation, this gold was released and made available to extraction by cyanidation. Gold still bound in pyrite or pyrite-silica is not easily recovered by a simple cyanide heap leach operation."

A recent resource estimate was completed by Noble and Bender (Knight Piesold) in 2006. The company reported the following tonnage and grade (using a 0.01 oz/ton cutoff and \$475 Au as well as \$7.92 Ag):

**TABLE VIII – BOREALIS MINERAL RESERVES AND RESOURCES**

| **Resource** | **Category** | **Tons** | **Grade (oz/t) Au** | **Grade (oz/t) Ag** | **Contained Oz (Au)** | **Contained Oz (Ag)** |
|---|---|---|---|---|---|---|
| Oxide + sulphides | Measured | 23,004,000 | 0.026 | 0.399 | 597,103 | 9,169,850 |
| Oxide + sulphides | Indicated | 20,009,000 | 0.032 | 0.369 | 641,603 | 7,380,530 |
| Oxide + sulphides | Inferred | 19,935,000 | 0.026 | 0.205 | 520,317 | 4,077,830 |
| Heaps & Dumps | Measured | 4,879,000 | 0.015 | n/a | 75 | n/a |
| Heaps & Dumps | Indicated | 1,100,000 | 0.014 | n/a | 16 | n/a |
| Heaps & Dumps | Inferred | 14,578,000 | 0.013 | n/a | 196 | n/a |
| **Reserves** | Proven & Probable | 15,138,000 | 0.029 | 0.541 | 439,000 | 8,190,000 |

The company now has a positive feasibility study and all operating permits in hand so is proceeding with the financing, optimization and construction of its heap leach gold mine. Estimated development costs are US$ 15.4 million which will include the construction of the 60,000+ ounces per year mine. The company expects that the first gold pour is targeted for completion within eight months of securing financing.

There are other claims in the area of the Fletcher Junction property held by Echo Bay (BPE claims), Western Geoscience (BAT claims) and Eng (WA claims) but the author was unable to locate any relevant information of the claims.

**OTHER RELEVANT DATA**

The company has reviewed traditional exploration techniques for potential use in future exploration programs at Fletcher Junction. Mineral exploration strategies in Nevada's Basin and Range have been as varied as the companies that have conducted the exploration. Hydrothermal alteration associated with large gold deposits is highly anomalous in a variety of lithological, structural, mineralogical, geochemical and geophysical components that can be easily discerned from the surrounding country rocks - when the system is exposed. Such observations have been successfully used to locate many important outcropping gold deposits. Extrapolations of such components from outcropping areas into areas covered by alluvial gravels in basins generated the important gold exploration discoveries of the last two decades in Nevada. However, such extrapolations have also led to an increasing number of expensive "misses". The "misses" are expensive because using traditional exploration, the presence or absence of gold can not be directly determined in a concealed mineral deposit setting by any other means than through the most expensive exploration technology, i.e. - drilling.

The Fletcher Junction Property was identified when highly anomalous water chemistry was discovered leaking out from under basalt cover as spring water flow. The Fletcher Junction covered setting is a compound problem in that Mesozoic granitic and metavolcanic basement is overlain by 15.4 Ma and younger basaltic to rhyolitic volcanic rocks (Osborne, 1990), in turn covered by post mineral colluvium and alluvium of unknown thickness and then by very young (~250,000 yr.) basalt flows which thicken from a few tens of feet just above the anomalous spring sources (elev. 6,093 ft. and 6,200 ft.) to a few hundred feet at the Aurora Crater apex (elev. 7,733 ft.), in turn covered by windblown sand.

Since potential host lithologies are covered, traditional mapping of geology, structure and alteration assemblages are simply not viable for the effective evaluation of the Fletcher Junction Property. Mapping is limited to making inferences about the blocky flow patterns of the basalt and inferring structure based on air photo interpretations combined with ground mapping. Primary in situ rock sampling is not possible and secondary rock float, stream sediment, soil, and vegetation sampling geochemical techniques has been used at the toe of the basalt with success. However, each of those techniques simply provides supporting in-direct evidence that the source is transported from upslope; under more cover and that the water chemistry is working and provides a positive vector. Geophysics has been considered, however the airborne magnetics indicate not only is the latest Aurora Crater flow highly magnetic, so too are the older, more regional basal basalt flows. Given the porosity and permeability of the basalt together with the sand cover, it is unlikely an adequate ground connection can be established for electrical methods like controlled source audio tellurics (CSAMT) or induced polarization (IP), often used in Nevada covered settings. The PGL regional gravity data set was reviewed and rejected as useful given the likely host will be younger volcanics, as at the Aurora mine, and not the older, denser granites and metavolcanics.

Since the anomalous gold in water is available at the basalt/overburden contact, the anomalous gold plume may be sourced by a bedrock high projecting at or just above the overburden and then capped by the porous basalt. It is the considered opinion of the Pediment Gold LLC exploration team that the next step in the development of the property is to drill a spread of holes immediately upslope of the gold in water spring sources to test:

1) the anomalous water plume extent,
2) cover thickness of basalt and overburden,
3) basement lithologies and alteration, and
4) surficially inferred structural zones and bedrock highs as possible sources of mineralization.

## INTERPRETATION AND CONCLUSIONS

The Fletcher Junction Gold Property was identified through an innovative gold exploration program based on gold and trace element hydrogeochemistry. The selection of the Fletcher Junction property is the direct result of a comprehensive, regional exploration program that established the context between known gold bearing systems and reconnaissance exploration sampling. The very high concentrations of gold in water at Fletcher Junction spring and in adjacent seeps and springs (over 2 ppb Au in water) along with the strongly elevated concentrations of gold (2.9 ounces Au per ton) in rocks, in soils (1.2 ppm Au) indicate there may be a significant in-situ gold occurrence underneath recent volcanic cover proximal to water and rock samples. The data density in the exploration programs completed to date as well as the data reliability are both adequate for this early stage of exploration.

The Property is in close proximity to the Aurora mine, a nearly 2 million ounce gold producer, and is within the broader scale Aurora-Bodie Hills Mining District, with recorded production of over four million ounces of gold and 11.2 million ounces of silver. The Property is a covered target overlain by broad sequences of alluvial gravels of unknown thickness and even younger basalt flows originating from the Aurora Crater and due to the cover has been historically unrecognized and unavailable to conventional exploration methodologies. The Aurora mine mineralization is noted to occur in high topographic relief expressions as hill forming anastomosing silica veins. The direct geochemical evidence collected to date (anomalous Au in water, rocks, soils and vegetation) immediately adjacent the toe of the basalt cover, when combined with the observation that the basalt flows are locally thicker in-board of the toe, also in a NE-SW sense (parallel the Aurora mine mineralized structural fabric) suggest that the basalt flows were affected by a pre-existing NE-SW trending topographic high interpreted to be silicified hills. Another possibility is that an older mineralized structure may have been exploited by a younger basalt event.

Given the highly anomalous Au in various medium proximal to basalt cover, the mineralized vein source may very likely outcrop through the alluvial cover, where it was available to be localized by erosive events, but was then covered by the very recent basalt flows.

The completed exploration project met its intended objectives of discovering and improving the understanding of hydro-geochemical evidence for gold mineralization. Detailed work described in this report at the Fletcher Junction property has advanced the property to an exploration drilling stage of work.

**RECOMMENDATIONS**

The recommended Phase 1 US$373,000 work program at the Fletcher Junction property is a drill testing program to identify in-situ gold mineralization up hydrologic gradient from the gold-bearing springs and gold-bearing rocks identified in colluvium and alluvium at the edge of the basalt cover.

Depth to bedrock, potential host lithologies, and structure will be tested using combinations of vertical and angle holes in up to 20 reverse circulation ("RVC") drill holes averaging 400 feet each. It is anticipated that drilling RVC holes through the basalt will require casing from the surface to at least the top of the alluvium/colluvium contact. Geochemistry will include assays on 5 foot intervals of drill cuttings for Au and ICP multi-element analysis to establish geochemical patterns, once through the basalt.

Advancing to a subsequent Phase II US$467,000 work program is contingent on positive results in the previous phase. Phase II budgets for up to an additional 10 RVC drill holes up to 1,000 feet deep to further follow-up on the positive results obtained in Phase 1.

Dated at Vancouver, British Columbia, this 10th day of December, 2006.

*/s/"George Cavey"*
George Cavey, P.Geo

## COST ESTIMATES

**PHASE I**

| **Item** | **Phase I Cost (US$)** |
|---|---|
| Compilation of data and mapping | $25,000 |
| Drilling (20 Holes, 400 feet deep @$20 per foot) | $165,000 |
| Drilling Contingency (20 Holes, 100 feet of casing @$10 per foot) | $20,100 |
| Geochemistry (8,000 feet / 5 X $19 per five foot interval) | $33,000 |
| Excavation and Reclamation ($1,000 per site x 20 sites) | $20,000 |
| General and Administration | $30,000 |
| Claim Fees and Land Payments | $46,000 |
| Contingencies @ 10% | $33,910 |
| **Phase II Total** | **US $373,010** |
| **Phase I Total (SAY)** | **US $373,000** |

**PHASE II**

| **Item** | **Phase II Cost (US$)** |
|---|---|
| Compilation of data and mapping | $25,000 |
| Permitting | $30,000 |
| Bonding | $25,000 |
| Drilling (10 Holes, 1,000 feet deep @$25 per foot) | $255,000 |
| Drilling Contingency (10 Holes, 100 feet of casing @$10 per foot) | $10,500 |
| Geochemistry (10,000 feet / 5 X $19 per five foot interval) | $39,000 |
| Excavation and Reclamation ($1,000 per site x 10 sites) | $10,000 |
| General and Administration | $30,000 |
| Contingencies @ 10% | $42,450 |
| **Phase II Total** | **US $466,950** |
| **Phase II Total (SAY)** | **US $467,000** |

| | |
|---|---|
| **Total Phase I and Phase II Total (SAY)** | **US $840,000** |

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## CERTIFICATE OF AUTHOR

I, George Cavey, of 306-595 Howe Street, Vancouver British Columbia, hereby certify:

1. I am a graduate of the University of British Columbia (1976) and hold a B.Sc. degree in geology.
2. I am presently employed as a consulting geologist with OreQuest Consultants Ltd. of #306-595 Howe Street, Vancouver, British Columbia.
3. I have been employed in my profession by various mining companies since graduation, with OreQuest Consultants Ltd. since 1982.
4. I am a member of the Association of Professional Engineers and Geoscientists of BC, and have been a member since 1992. Association of Professional Engineers and Geoscientists of Manitoba and the Association of Professional Engineers and Geoscientists of Ontario.
5. I have read the definitions of "Qualified Person" set out in NI 43-101 and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a "Qualified Person" for the purposes of NI 43-101.
6. I am responsible for all sections of this report utilizing data summarized in the References section of this report.
7. This certificate applies to the technical report titled "*Summary Report on the Fletcher Junction Property, Mineral County, Nevada for Nevada Exploration Inc.*" dated Dec 10, 2006.
8. I have visited the Fletcher Junction property on October 15, 2006.
9. I have had no direct involvement with Nevada Exploration Inc. or in the Fletcher Junction property prior to the preparation of this report.
10. To the best of my knowledge, information and belief, this technical report contains all the scientific and technical information that is required to be disclosed to make this technical report not misleading.
11. I am independent of Nevada Exploration Inc. and all their subsidiaries as defined in Section 1.4 of NI 43-101 and in Section 3.5 of the Companion Policy to NI43-101.
12. I have read NI 43-101 and NI 43-101F1 and the technical report has been prepared in compliance with that instrument and form.
13. I consent to the filing of the Technical Report with any stock exchange and other regulatory authority and any publication by them for regulatory purposes, including electronic publication in the public company files on their websites accessible by the public, of the Technical Report.

*/s/"George Cavey"*
George Cavey, P.Geo.

Dated at Vancouver, British Columbia, this 10th day of December, 2006.

# APPENDIX A

# CLAIM INFORMATION

## APPENDIX A – CLAIM INFORMATION

The following unpatented mining claims located in Section 25, 26, 34, 35, 36, Township 6 North, Range 27 East, and Section 15, 16, 17, 19, 20, 21, 22, 28, 29, 30, 31, 32, 33, Township 6 North, Range 28 East, and Section 1, 2, 3, 10, 11, Township 5 North, Range 27 East, and Section 6, Township 5 North, Range 28 East, Mineral County, Nevada:

| | | Mineral County Recording Information | | BLM Filing Information | |
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| **Total Claims = 346** | | | | | |

# APPENDIX B

# WATER GEOCHEMISTRY THEORY

**Appendix B- Water Geochemistry Theory**

Alluvial gravels and other surficial deposits that were laid down after the gold ore deposits were formed cover over 80% of the surface area of Nevada. Many Nevada Exploration deposits have already been discovered in the exposed mountains where they were easily seen. Many more gold deposits have not been discovered yet, since they are covered by shallow gravel and not exposed to view. The majority of Nevada exploration to date has focused on the ranges or very near the range-valley contact, with no clear methodology to systematically explore the gravel-covered valleys beyond.

The increasing scarcity of exploration resources has driven the search in recent years toward methodologies designed to 'see-through' gravel cover to the bedrock beneath. Unfortunately, geophysical techniques, and such geochemical techniques as mobile metal ion (MMI), biochemical and various gas-sniffing technologies all offer expensive and often ambiguous, still indirect solutions to exploration in covered areas. On the other hand, water circulates through soils and rocks, and acquires characteristics imparted by them. Natural water chemistry directly reflects the geochemistry of the geologic materials the water contacts.

Water chemistry analyses have been consistently collected for decades by numerous federal, state, local government and private groups within Nevada, but up until now, they have not been assembled into a coherent database suitable for pattern recognition. Water Chemistry has now been used as both an initial target generation tool to increase early confidence in the presence of a multi-million ounce, gold system, and for the later Target Acquisition and the more detailed Target Drilling stages of the discovery process. Ground Water Chemistry provides a powerful, simple, and direct exploration methodology that has not yet been widely recognized and consistently applied to gold deposit discovery within Nevada by the gold mining industry.

Water chemistry can and does reflect the proximity of a mineral resource. This is not a new concept. Over the years some exploration groups have attempted to use hydrochemistry to locate mineral resource deposits. Most work was completed during or prior to the 1970's. Literature references in hydrochemistry since 1935 show that hydrochemistry has been applied to the search for various mineral deposit types. Most work has been completed in uranium exploration during the 1970's. A total of 97 references, from 1935 to 1995, have been identified that utilized hydrochemistry as part of a mineral exploration program. The 97 hydro-chemical exploration references include exploration for uranium (35), base metals hosted by igneous rocks (18), base metals hosted by sedimentary rocks (16), tin-tungsten-fluorine (8), copper-molybdenum porphyries, and gold (17). Success has been variable, largely due to poor sampling methods, limited understanding of water chemistry, and relatively primitive analytical techniques.

Additionally, with the steady increase in demand placed upon water resources of the west by agricultural and municipal interests over the last four decades a substantial quantity of water quality data has been quietly collected for Nevada and has passed largely un-noticed by the mining industry.

From 1999 through 2002, NGXS collected location information on 60,580 water wells, created a proprietary Nevada Hydrochemistry Database with 46,049 records with chemical analyses for a variety of elements from ground water from public domain sources, with an additional 23,600 analyses in the process of entry. While NGXS's water database consists of public domain information, the effort to bring it together into a useable format for identification of undiscovered resources, as a tool for establishing baseline or background and threshold characteristics and as a prototype for adding more data in the future is proprietary.

However, while most will regard digital data as cheap and easy to come by, they still require considerable editing of the digital data sets to be made useful. The Nevada Department of Environmental Protection (NDEP) list of mine sites was reviewed on a project by project basis and the hydrochemistry was spot checked for accuracy. Data plots of drill hole locations were overlain on original maps to check for location errors. Contour maps of elevation data were created and compared to topographic contours of the same area to check for elevation errors. Hydrochemistry was spot checked in both spatial plots and tabulations against the original hardcopy data. To be sure, a variety of errors were located and always corrected. Many records with seemingly good quality chemical information had to be simply discarded as location information was simply not available or in question.

To re-create the digital water chemical database would require the dedicated effort of more than two man-years and at least $400,000.

**Database Reduction and Orientation**

Hydro-chemical values (Background, Threshold and Anomalous Values) characterizing known resource areas have been determined for five sub-groups (sediment-hosted gold deposits, volcanic-hosted deposits, porphyry-hosted deposits, evaporative basins and geothermal resources) for many of the 79 trace elements and compared to areas not known to be associated with resource potential. The end result of this process has been the identification of numerous hydro-chemically anomalous pediment areas warranting additional detailed water sampling and reconnaissance follow-up.

NGXS's historic digital hydrochemistry database currently contains 46,049 records for the state of Nevada. Many of the records report water chemistry from around known mines of various kinds, many from known municipalities and public drinking water sources, many from known geothermal systems and many more from unknown sources. The goal of further investigation was to identify water samples likely to be located near undiscovered gold deposits.

Not all government sample sites were used, for example samples of water collected from "bomb craters" within the Fallon Naval Test Site and samples from a "fertilizer storage pond adjacent to a local agricultural supply business" were tagged and removed from all further analysis. Additionally, based on a review of cumulative frequency distributions, samples reporting either TtCN (total cyanide) or WADCN (Weak Acid Digestible Cyanide), $NO_3$ (nitrate), Fe (iron) and pH outside specific limits were removed from further consideration as highly suggestive of mine-related and/or other man-induced contamination. This process removed 2,617 samples from further consideration, leaving 43,432 samples for further analysis (Figure 6).

The next step was to identify samples closely related to known mineralized areas. NGXS's hydrogeochemistry database contains over 200 known mineralized systems of economic significance with sufficient data that they can be used to characterize the water chemistry signatures of a variety of known systems as shown in the following table:

**MINERALIZED AREA DATABASE**

| Deposit Type | No of Mineralized Systems Tested | Water Records Recorded |
|---|---|---|
| Sediment-Hosted Gold | 48 systems | 4,375 |
| Volcanic-Hosted Gold | 31 systems | 1,477 |
| Porphyry-Hosted | 6 systems | 951 |
| Geothermal Systems | 37 systems | 4,084 |
| Evaporative Basins | 81 basins | 304 |
| **Total** | **2,043 systems** | **11,191 water records** |

Cumulative frequency distributions have been reviewed for each trace-element for each subset and serve as the basis for the determination of background, threshold and anomalous values for element groupings that characterize each subset. After categorizing 2,617 records as outliers or probably contaminated and 11,191 as related to known resource systems, 32,241 records remained to be examined for undiscovered systems. Another 9,108 records were then removed from further consideration as they reported less than background values for all elements as determined from subset cumulative frequency distributions. At this stage, 23,133 records remained to be searched.

Simple discriminate filters were then developed that separate records related to Geothermal and Evaporative Basin systems from Porphyry, Sediment- and Volcanic-hosted systems and applied to the remaining uncategorized records of interest. 1,211 records were identified as highly indicative of previously unknown Geothermal Systems and/or Evaporative Basins and 544 records as highly indicative of previously unknown Porphyry, Sediment- and/or Volcanic-hosted systems. Targeting generated more than 50 high quality pediment target areas worthy of additional follow-up.

After identifying target areas of interest by searching the entire database with a set of consistent discriminate filters the data reporting within a local target area was further to examined identify important local patterns and trends. For example, a target area may only report a few low values at a regional scale, but when local patterns are reviewed clear trends from low values to perhaps even lower values may be indicative of higher values up gradient that could well lead back to the local source.

The impact of these important observations on pediment gold exploration is that a single groundwater sample can provide useful exploration data at much lower sample densities and costs than solid samples from either the surface (rock-chip, MMI, biogeochemistry, vapour-phase geochemistry, etc.) or from drill holes. Furthermore, when hydro-chemical samples from a prospective area are compared with background, threshold and anomalous hydro-chemical values for known mine areas, an extremely efficient and effective use of scarce exploration resources emerges.

To re-create the water database reduction and orientation to known gold mines would require the dedicated effort of nearly one man-year and at least C$150,000.

**2004- 2005 Reconnaissance Water Sampling, Data Collection, Analysis**

The agreement between NGXS and BMGX and the Operating Agreement ("OA") of PGL were signed on June 21, 2004. The Field Examination Stage began on July 2, 2004. The objective of the 2004 field program was to review up to 50 target areas previously selected based upon NGXS's water chemical database and to collect additional water samples for chemical analysis using NGXS's water sampling protocol in order to identify specific target areas with water chemical signatures similar to known gold mines.

Part way through the field program it became apparent that in addition to the approximately 50 previously targeted areas, many geologically attractive pediment areas presented access to ground water at unanticipated locations for which NGXS had no previous water chemistry data.

The last sample of the field season was collected on November 2, 2004 when heavy snowfall forced an end to a productive field season. During the 122 day field program NGXS collected a total of 1,074 water samples. An additional 98 samples were submitted as Quality Control (QC) standards and blanks for a total of 1,172 samples analyzed.

Twelve known gold mine areas were sampled for further confirmation and orientation of sampling protocol and more accurate determination of actionable thresholds of certain trace elements values. A total of 72 specific target areas were identified as containing anomalous gold in water as worthy of continued interest.

Each batch of samples submitted to the lab was analyzed for gold and 68 trace elements. Distilled water blanks containing the reagents used by each sampler were submitted to control for possible field contamination. A standard of known trace element composition was also submitted with each batch to control for lab variation. Corrected results were then reviewed using statistical software to identify important actionable threshold values and to identify inter-element correlations. The data was then plotted using GIS software for comparison with other important spatial data.

Mine area samples were separated and reviewed for water chemical patterns. The remaining samples were searched for areas where gold values reported anomalous concentrations. Out of 1,074 samples 214 reported meaningful gold values above the threshold (20%) and clustered into 72 specific areas. Each of the 72 target areas were then simply sorted from highest gold value (56,465ppt) to lowest (anomalous threshold). The target list was then reviewed for high samples with potential contamination or repeatability issues. Those areas were then separated from the list of potential targets. The threshold for anomalous gold was then raised from the 80% threshold to the 90% threshold to avoid possible ICP/MS interference issues (see Quality Control discussion in the following section of this report). Twenty-nine Target Areas remained where the highest contained gold value was greater than or equal to the 90% threshold.

Each sample was also reviewed for its trace element contents. Each known gold mine has its own unique collection of trace elements associated with its unique style of gold mineralization that often prove useful in directing local exploration efforts.

It is important to emphasize that any one of the 72 Target Areas reporting gold values greater than the 80% threshold identified to this point might well be associated with a nearby gold deposit. At this point in the program it was not possible to collect water samples in the geologically ‘best’ places to test an area for its gold-bearing potential. Samples were collected based upon the placement of water sources provided by chance.

Based upon the results of the 2004 reconnaissance water sampling program, land positions on two target areas, Hot Pot and Fletcher Junction were acquired and additional Reconnaissance water sampling was planned for 2005. This Report only discusses the Fletcher Junction property.

In 2005, NGXS/PGL collected a total of 2,307 high quality, low-detection limit water samples and submitted 268 QC standards and blanks for a total of 2,575 samples analyzed during the 2004 and 2005 field water sampling seasons.

A total of 211 high quality water samples from a total of 34 known gold mines have now been collected for further confirmation and orientation of sampling protocol and more accurate determination of actionable thresholds of certain trace elements values. A total of 74 specific target areas have now been identified as containing anomalous gold in water as worthy of continued interest.

Each batch of samples submitted to the lab was analyzed for gold and 68 trace elements. Distilled water blanks containing the reagents used by each sampler were submitted to control for possible field contamination. Separate Low Au and High Au standards of known trace element composition were also submitted with each batch to control for lab variation. Corrected results were then reviewed using statistical software to identify important actionable threshold values and to identify inter-element correlations. The data was then plotted using GIS software for comparison with other important spatial data.

Mine area samples were separated and reviewed for water chemical patterns. The remaining samples were searched for areas where gold values reported anomalous concentrations. Out of 2,299 samples 366 reported meaningful gold values above an anomalous threshold (16%) and cluster into 74 specific areas. Each of the 74 target areas were then simply sorted from highest gold value (56,465ppt) to lowest (anomalous threshold). The target list was then reviewed for high samples with potential contamination or repeatability issues. Those areas were then separated from the list of potential targets. The threshold for anomalous gold was then raised to 90% to avoid possible ICP/MS interference issues (see Quality Control Applications and Considerations section at the end of this report). 35 Target Areas remained where the highest contained gold value was greater than or equal to the 90% anomalous threshold. Each sample was also reviewed for its trace element contents.

The water database has been reviewed and oriented to known resource areas and then applied to a large number of uncategorized samples to locate prospective target areas with water chemistry signatures identical to known resource areas. The water geochemical information collected over the last decade of gold exploration in Nevada and complemented with the 2004-2005 NGXS data was merged with a Geographic Information System (ArcGIS) database for easy access, quick retrieval and ease of visual interpretation.

To re-create the water database GIS integration would require the dedicated effort of nearly one man-year and at least C$200,000.

# APPENDIX C

# ROCK SAMPLE DESCRIPTIONS

## APPENDIX C - Rock Sample Descriptions (all rock samples are float samples)

| Sample ID | Au ppb | Au oz/t | Ag ppm | Ag oz/t | Sample Description |
|---|---|---|---|---|---|
| WR035 | **90,500** | **2.91** | **324.00** | **10.42** | White to medium gray, subangular boulder, crudely banded; white to light brownish gray; dense quartz vein +/- calcite/adularia; mostly qtz. vein material; minor orange and yellow brown FeOx bands and vugs after pyrite; minor boxwork w sugary qtz texture and qtz. x-tals lining cavities. |
| WR027 | **26,900** | **0.86** | **372.00** | **11.96** | White to medium gray, angular boulder, crudely banded; white to medium gray; dense quartz vein +/- calcite/adularia; mostly qtz. vein material; minor dark red, orange and yellow brown FeOx bands and vugs after pyrite; |
| JR013 | **11,200** | **0.36** | 19.20 | 0.62 | Angular boulder, structureless; mottled white to med gray; densely silificified; vuggy "toothpaste" texture plus replacement texture; mostly qtz. vein material crossing silicified volcanic rk.; dark red, orange and yellow FeOx bands and vugs after pyrite; local re-silicified hydrothermal bx texture; local boxwork w sugary qtz. texture. |
| JR050 | **8,540** | **0.27** | 22.90 | 0.74 | White, subangular boulder, clearly banded; white; dense quartz vein +/- calcite/adularia; mostly qtz. vein material; significant dark red, orange and yellow brown FeOx bands and vugs after pyrite; Dark gray sulphide(?) bands marking white quartz vein growth bands. |
| JR051 | **5,200** | **0.17** | 9.60 | 0.31 | White, subangular boulder, clearly banded; white; dense quartz vein +/- calcite/adularia; mostly qtz. vein material; significant dark red, orange and yellow brown FeOx bands and vugs after pyrite; Dark gray sulphide(?) bands marking white quartz vein growth bands. |
| JR053 | **2,590** | **0.08** | 8.70 | 0.28 | White, angular boulder, structureless to crudely banded; white to translucent; dense quartz vein +/- calcite/adularia; mostly qtz. vein material; trace dark red, orange and yellow brown FeOx bands and vugs after pyrite. |
| JR043 | **1,680** | **0.05** | 7.90 | 0.25 | Light gray to white, subangular boulder, structureless; mottled white to medium gray; densely silificified after qtz/calcite/adularia; mostly qtz. vein material crossing silicified volcanic rk.; dark red, orange and yellow FeOx bands and vugs after pyrite; local re-silicified hydrothermal bx texture; boxwork w sugary qtz. texture and qtz. x-tals lining cavities. |
| WR036 | **1,410** | **0.05** | 2.40 | 0.08 | White to medium gray, subangular boulder, crudely banded; white to light brownish gray; dense quartz vein +/- calcite/adularia; mostly qtz. vein material; minor orange and yellow brown FeOx bands and vugs after pyrite; minor boxwork w sugary qtz. texture and qtz. x-tals lining cavities. |
| WR009 | **1,290** | **0.04** | 1.40 | 0.05 | White, angular boulder, structureless; mottled white to very light brownish gray; densely silificified after qtz/calcite/adularia; mostly replacement texture crossing silicified volcanic rk.; trace FeOx in vugs after pyrite. |

| Sample ID | Au ppb | Au oz/t | Ag ppm | Ag oz/t | Sample Decryption |
|---|---|---|---|---|---|
| WR019 | **1,050** | **0.03** | **70.60** | **2.27** | White, angular boulder, structureless; mottled white to light brownish gray; densely silificified after qtz/calcite/adularia; replacement texture crossing silicified volcanic rk.; trace FeOx in vugs after pyrite; vuggy brecciated replacement texture. |
| JR035 | **1,030** | **0.03** | 1.40 | 0.05 | Med gray to white, subangular boulder, structureless; mottled white to dark brownish gray; densely silificified after qtz/calcite/adularia; mostly qtz. vein material crossing silicified volcanic rk.; minor dark red, orange and yellow FeOx bands and vugs after pyrite; local re-silicified hydrothermal bx texture; boxwork w sugary qtz. texture. |
| JR010 | 772 | 0.02 | -0.50 | -0.02 | Angular boulder, structureless mottled white to med gray densely silificified vuggy "toothpaste" plus replacement texture; mostly qtz. vein material crossing silicified volcanic rk.; dark red, orange and yellow FeOx bands and vugs after pyrite; re-silicified hydrothermal bx texture. |
| JR006 | 616 | 0.02 | 6.70 | 0.22 | Subangular boulder, structureless, mottled white to light gray densely silificified vuggy replacement texture; volcanic rk.; FeOx bands and vugs after pyrite; minor hydrothermal bx texture? |
| 8003R | 597 | 0.02 | 1.30 | 0.04 | Subangular, structureless fine-grained white quartz vein boulder w sugary texture +/- FeOx. |
| WR010B | 501 | 0.02 | 0.80 | 0.03 | White, angular boulder, structureless; mottled white to very light brownish gray; densely silificified after qtz/calcite/adularia; mostly replacement texture crossing silicified volcanic rk.; trace FeOx in vugs after pyrite. |
| JR044 | 482 | 0.02 | -0.50 | -0.02 | White, angular boulder, structureless; mottled white to very light gray; densely silificified after qtz/calcite/adularia; mostly qtz. vein material crossing silicified volcanic rk.; minor orange and yellow brown FeOx bands and vugs after pyrite; local re-silicified hydrothermal bx texture; minor boxwork w sugary qtz. texture and qtz. x-tals lining cavities. |
| JR052 | 400 | 0.01 | 5.10 | 0.16 | Dark red, subangular boulder, structureless to crudely banded; mottled white to very dark brownish gray; densely silificified after qtz/calcite/adularia; mostly qtz. vein material crossing silicified volcanic rk.; significant dark red, orange and yellow brown FeOx bands and vugs after pyrite; local re-silicified hydrothermal bx texture; minor boxwork w sugary qtz. texture and qtz. x-tals lining cavities. |
| WR032 | 380 | 0.01 | **91.10** | **2.93** | White to medium gray, subangular boulder; white to light gray; dense quartz vein +/- calcite/adularia; mostly qtz. vein material; minor orange and yellow brown FeOx bands and vugs after pyrite; minor boxwork w sugary qtz. texture and qtz. x-tals lining cavities. |

| Sample ID | Au ppb | Au oz/t | Ag ppm | Ag oz/t | Sample Description |
|---|---|---|---|---|---|
| JR028 | 315 | 0.01 | 13.10 | 0.42 | White, subangular boulder, structureless; mottled white to light gray; densely silificified after qtz/calcite/adularia; mostly qtz. vein material crossing silicified volcanic rk.; minor dark red, orange and yellow FeOx bands and vugs after pyrite; local re-silicified hydrothermal bx texture; boxwork w sugary qtz. texture. |
| JR018 | 272 | 0.01 | 1.30 | 0.04 | Subangular boulder, structureless; mottled white to med gray; densely silificified; mostly qtz. vein material crossing silicified volcanic rk.; minor orange and yellow FeOx bands and vugs after pyrite; local re-silicified hydrothermal bx texture; local boxwork w med-grained sugary qtz. texture; qtz. x-tals lining cavities. |
| JR065 | 262 | 0.01 | 2.90 | 0.09 | Dark red angular boulder, structureless; mottled medium gray to very dark reddish gray; densely silificified after qtz/calcite/adularia; mostly qtz. vein material crossing silicified volcanic rk.; significant dark red, orange and yellow brown FeOx bands and vugs after pyrite; local re-silicified hydrothermal bx texture; minor boxwork w sugary qtz. texture and qtz. x-tals lining cavities. |
| JR047 | 244 | 0.01 | 0.50 | 0.02 | White, subangular boulder, structureless to crudely banded; mottled white to very light brownish gray; densely silificified after qtz/calcite/adularia; mostly qtz. vein material crossing silicified volcanic rk.; minor orange and yellow brown FeOx bands and vugs after pyrite; local re-silicified hydrothermal bx texture; minor boxwork w sugary qtz. texture and qtz. x-tals lining cavities. |
| WR024 | 226 | 0.01 | 7.70 | 0.25 | White, angular boulder, clearly banded; white; dense quartz vein +/- calcite/adularia; mostly qtz. vein material; minor dark red, orange and yellow brown FeOx bands and vugs after pyrite; Dark gray sulphide(?) bands marking white quartz vein growth bands; brecciated growth bands. |